



# Comprehensive Annual Financial Report

*Fiscal Year Ended June 30, 2016*

**NASH COUNTY**  
**NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2016**



# ***NASH COUNTY NORTH CAROLINA***

## ***Board of County Commissioners***

***Fred Belfield, Jr., Chairman***

***Billy Morgan, Vice Chairman***

***Robbie Davis***

***Wayne Outlaw***

***Lou M. Richardson***

***Mary Wells***

***Lisa Barnes***

## ***Comprehensive Annual Financial Report***

***For the Year Ended June 30, 2016***

***Prepared by:  
Nash County Finance Department***

## ***County Officials***

***County Manager***

***Assistant County Manager***

***Finance Officer***

***Zee B. Lamb***

***Rosemary Dorsey***

***Donna Wood***

Nash County, North Carolina  
Financial Statements and Schedules

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## ***INTRODUCTORY SECTION***

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Nash County, North Carolina  
Financial Statements and Schedules

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# NASH COUNTY

NASHVILLE, NORTH CAROLINA 27856

FRED BELFIELD, JR., CHAIRMAN  
BOARD OF COMMISSIONERS

ZEE B. LAMB  
COUNTY MANAGER

VINCE DURHAM  
ATTORNEY

JANICE EVANS  
CLERK TO BOARD

November 16, 2016

Nash County Citizens,  
The Honorable Chairman,  
Members of the Board of Commissioners

Maintaining the fiscal strength and stability of County government are primary goals of the Commissioners. This Comprehensive Annual Financial Report (Financial Statements) of Nash County, North Carolina, for the fiscal year ended June 30, 2016, is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department is responsible for the accuracy of the Financial Statement data, the completeness and fairness of the presentation, and all disclosures rests with the County. We believe the data and presentation are fair and accurate and that you will find everything necessary in this document to gain an understanding of the County's financial activities over the last fiscal year.

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Nash County.

This report consists of management's representations concerning the finances of Nash County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Nash County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Nash County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Nash County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

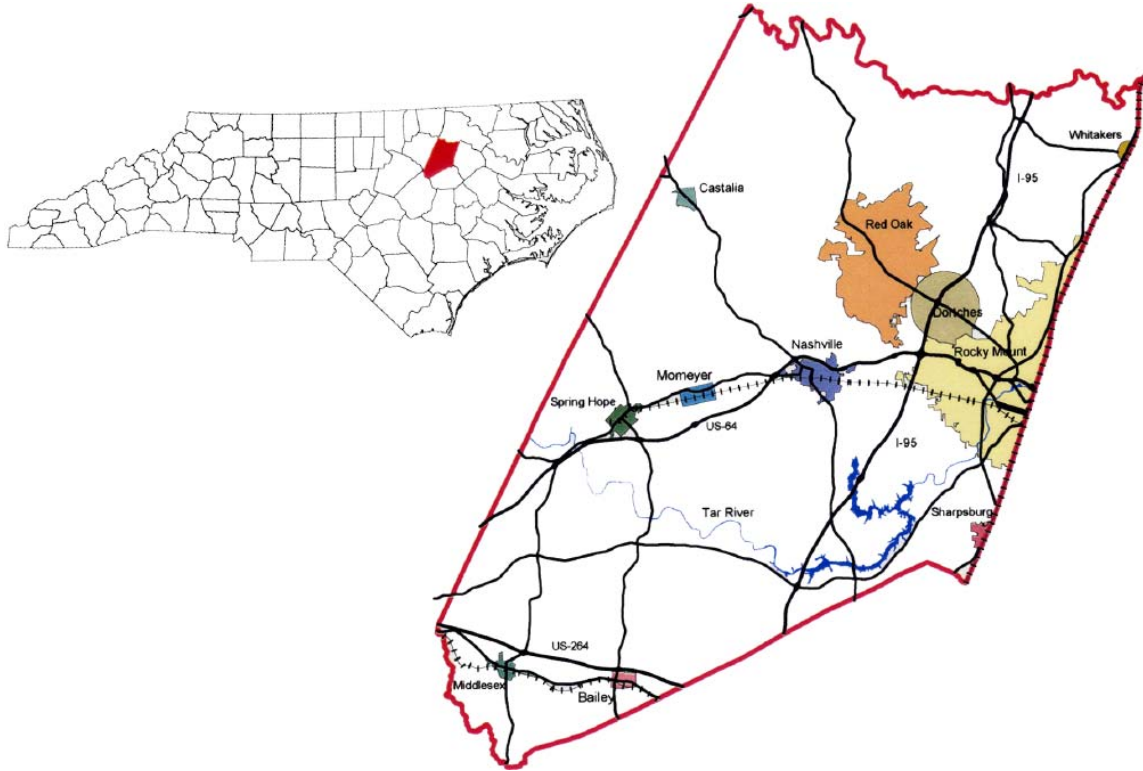
Nash County's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Nash County for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Nash County's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Nash County was part of a broader, Federal and State mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State awards. These reports are available in Nash County's separately issued Compliance Reports.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Nash County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Nash County was established in 1777 from the western part of Edgecombe County. Nash County could be classified as either a northern coastal plain county or a far eastern piedmont county. Falling midway between New York and Florida, Nash County occupies a total area of 542.71 square miles with a land area of 540.41 square miles. Nash County serves a population of 94,280 according to July 2016 projections from North Carolina Office of State Budget and Management website, [www.osbm.nc.gov](http://www.osbm.nc.gov). The County is positioned as a major gateway between the Coastal Plain and Piedmont regions of North Carolina. Within 30 miles of the state capital of Raleigh, Nash County is within an hour's drive of the world-famous Research Triangle Park. Eleven municipalities are located within the County, the largest being the City of Rocky Mount. Nashville is the second largest municipality in population and serves as the county seat. Nash County is empowered to levy a property tax on both real and personal properties located within its boundaries.



The County operates under the commissioner/manager form of government. Policy-making and legislative authority are vested in a governing board consisting of seven elected commissioners. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Commissioners are elected by districts and serve four-year staggered terms.

Nash County provides its citizens with a wide range of services that include general administration, public safety, economic development, human services, cultural, and operation of Solid Waste Disposal and Water/Sewer infrastructures, as well as other services. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts to serve citizens. Among these are the Nash-Rocky Mount Board of Education, Nash Community College and, Eastpointe MCO (managed care organization), providing mental health services. Certain water/sewer services are provided through a legally separate Water and Sewer District, Central Nash Water & Sewer District, which functions, in essence, as a department of Nash County and therefore has been included as an integral part of Nash County's financial statements. Additional information on Central Nash Water & Sewer District can be found in the notes to the financial statements (See Note 1).



The annual budget serves as the foundation for Nash County's financial planning and control. All Nash County departments and outside agencies are required to submit requests for appropriation to the county manager on or before March 15 each year. The county manager uses these requests as the starting point for developing a proposed budget. The county manager then presents a proposed budget to the commissioners for review at the May commissioners meeting. The commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of Nash County's fiscal year.

The appropriated budget is prepared by fund, function (ex., public safety), and department (ex., sheriff). The county manager is authorized to transfer appropriations within a department. Transfers between departments and budget increases or decreases over \$5,000 require the formal approval of the Board of Commissioners at monthly meetings. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. Governmental funds, other than the general fund, with appropriated annual budgets, are presented in the combining and individual fund financial statements. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Nash County operates.

#### ***Local economy***

The local economy of Nash County is well diversified with manufacturing, retail trade, accommodations & food services, and health care & social assistance comprising the largest sectors of employment at 23.25%, 15.33%, 11.91% and 10.87% respectively.

The County saw a 1.2% decline in unemployment to 6.8% from the previous year's 8.0% but is still higher than the state's 5.2%. The local economy has experienced growth in the tax base and future employment opportunities to the area through the expansion of two existing companies. Draka Elevator Products plans to invest \$12.1 million into the development of a 140,000 square-foot manufacturing facility located in the Whitakers Business and Industrial Center. This expansion will add 34 full-time jobs over the next five years. Two legendary brands, The Original Log Cabin Homes and Mossy Oak are bringing together their combined fire power to introduce the "Mossy Oak® Nativ Living™ Edition" of

cabins, homes and structures that will be manufactured and distributed at a dedicated plant in Rocky Mount. This exclusive worldwide product launch will initially create 22 jobs.

CSX Intermodal Terminal, known as CCX the Carolina Connector, has chosen Rocky Mount as its new site. This \$270 million dollar project will position Nash and Edgecombe Counties as well as all of Eastern NC as a major logistics hub in the southeast. The project is expected to create 300 direct jobs with annual average salary of \$60,000, and an additional 300 construction jobs in the building phase.

Major manufacturing operations in Nash County include Cummins, Inc., a diesel engine manufacturer, Universal Leaf North America NC, Inc., a tobacco processing plant, Pfizer, Inc., a pharmaceutical manufacturer and Kaba Ilco-Unican Corporation, a security lock manufacturer.

Nash County is home to more than 400 farming operations of various sizes. A few more than half of the primary farm operators indicate their primary occupation to be farming. Interestingly, approximately two-thirds of Nash crop land is owned by non-farming landowners, who lease their land to active farmers. Flu-cured tobacco acreage planted in Nash changed little in 2016 settling at 9,116 acres. Wheat acreage is relatively stable at 3,924 acres. Weakening worldwide demand for cotton fiber caused Nash's acreage to plummet 59% to 2,726 acres. Moderate but stable demand for soybeans held acreage at 31,202. Most of the Nash County soybean crop is crushed and used as a protein supplement in livestock feed rations. Farmers reported planting 10,170 acres of sweet potatoes with more than ninety percent being the Covington variety. Poultry and eggs continue to be Nash County's highest valued agricultural commodities, with flu-cured tobacco and sweet potatoes close behind. While crop farmers suffer from lower crop market prices, livestock and poultry production benefits from the currently lower prices for corn and wheat and moderate soybean prices. The annual estimated farm gate gross receipts for agricultural products grown in Nash County are approximately \$220 million.

### ***Long-Term Financial Planning***

Unassigned fund balance in the general fund (30.6% of total general fund expenditures) falls within the policy guidelines set by the Board of Commissioners. Nash County Fiscal Policy for Reserves states the amount should be no less than 15% at close of each fiscal year. The Board has made one-time use of fund balance for capital expansion for property acquisitions and improvements.

### ***Economic Development:***

NC 97 Sewer Expansion Project: The infrastructure project involves the construction of three wastewater lift stations, extending sewer along Hwy 97 (approx. 10 miles) from an existing system to just east of the Hwy 97/I-95 Interchange, and will bring access to sewer in three general areas including future service to the Airport. During the fiscal year the project was substantially completed (90%). The County will place the lines in operation in the fall of 2016 which will complete the provision of water and sewer to a 150-acre industrial site that is being actively marketed by the Carolinas Gateway Partnership. Golden Leaf agreed to match funding with this project with a grant of \$1,500,000 with final closeout of the grant expected January 2017.

Carolina Innovative Food Ingredients (CIFI): CIFI completed their first phase of construction which included an over 120,000 sq. ft. facility and is in operation. They have made a \$19 million investment in their facility and are working towards their goal to employ 64 full-time workers. This industry processes sweet potatoes into other food products.

Shell Building at Middlesex Corporate Center: The Board of commissioners has approved the site for the first shell building at Middlesex Corporate Center and it will be the sixth shell building that the County has constructed. A \$500,000 reserve has been established in anticipation of the project and the total project cost is estimated at \$1.7 million. Construction is planned for spring of 2017.

### ***Public Water and Sewer:***

Central Nash Water and Sewer District: The Central Nash Water & Sewer District was formed in 2007 for the purpose of extending water and sewer lines to rural areas in the southern portion of the county in an effort to address poor water quality, public health, economic development potential, and fire protection along major roadways. Phases 1, 2, 3, and the original designed 4 are now complete and serving over 2,862 water and 254 sewer customers. Limited Phase 4 funds were available and approved for use to purchase generators, meter boxes and service materials for new customer connections. An extension for the project was granted and final completion and close-out of the project is anticipated by December 2016.

Northern Nash Water and Sewer District: Nash County completed recruiting potential water customers in the Red Oak/Dortches area and currently have approximately 996 signups. The recruitment process determined that there is enough interest to pursue providing public water to a portion (Phase 1) of this area at an estimated cost of \$9 million which

would serve over 1,000 customers in the initial phase. Engineers are working to complete a preliminary engineering report and environmental assessments necessary to begin design. The County is researching funding options, seeking input for participation from the Town of Red Oak and Dortches.

### ***Technology:***

**PBX Phone System Upgrade:** After acquiring Board approval, the MIS Department sought out a vendor to upgrade an aging, problem riddled PBX phone system in favor of a new, feature rich VOIP telephone system. Implementation for Phase One is complete which transitioned all existing users of the legacy PBX phone system onto the new VOIP system. Phase Two will be to incorporate additional remote sites onto the new VOIP system and thus bring all main units of Nash County Government onto the same phone system.

**High-Speed Internet Initiative (Update):** Working with NC Office of Digital Infrastructure, Nash County released a RFP for the services that the County Broadband Team had been working diligently to acquire for the citizens of Nash County that are either underserved or not served at all by current ISPs in the area. Proposals are expected to be considered in December 2016.

**Remote Site Connectivity:** In an effort to increase network security and provide dedicated connectivity to certain remote units of Government, MIS is working to secure dedicated fiber links to the EMS 800 Site (DR Site), Nash County Health Department (Rocky Mount location), and the Nash County Agricultural Building. Furthermore, by adding these additional sites to our core network, MIS will be upgrading the existing Internet connection from the Administration Building to accommodate these new users.

### ***General***

**Nashville EMS Station:** In the Town of Nashville, a new 3,600 square foot Emergency Medical Station including the supervisor's office was approved to replace the Momeyer Station 200. The County awarded the construction contract to Hill Building Contractors, Inc. and construction began in the fall of 2015. The project was completed and move began on August 30, 2016. The final project cost is anticipated to be approximately \$465,000 with the County to receive reimbursement from DOT of just under \$25,000 for the construction of the facility driveway entrance.

**Courthouse Project Expansion:** Nash County has decided to move forward with a planned expansion of the existing courthouse and sheriff's

office to accommodate additional space needs for both areas. The County has approved a contract with Moseley Architects, secured financing for the project of \$14M at 1.85% interest with Raymond James Capital Funding, Inc and awarded the construction project to Daniels and Daniels Construction Company, Inc. The project construction is anticipated to begin December 2016.

Southern Nash Senior Center: The Board of Commissioners have approved to move forward with a construction project for a Senior Center in the Middlesex/Bailey Park area of Nash County. The Center is planned to be approximately 5,000 square foot building which is in line with the Towns concept including a future Community Building. The County has reserved \$900,000 in anticipation of the project but final cost estimates have not been determined.

Miracle Park: The Board of Commissioners has set aside \$250,000 for the construction of a Miracle Park. This park will provide handicapped accessible equipment and be available for county-wide use. The first task of identifying a site is underway.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Nash County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This makes the twenty-fifth consecutive year Nash County received the award. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

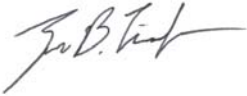
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

## Acknowledgements

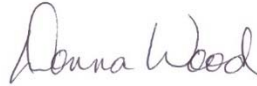
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report and to the county's independent certified public accountants, Martin Starnes & Associates, CPA's, P.A. for their assistance and guidance. Credit also must be given to the members of the Board of Commissioners for their continuing interest and support in conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

NASH COUNTY, NORTH CAROLINA



Zee B. Lamb  
County Manager



Donna Wood  
Finance Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Nash County  
North Carolina**

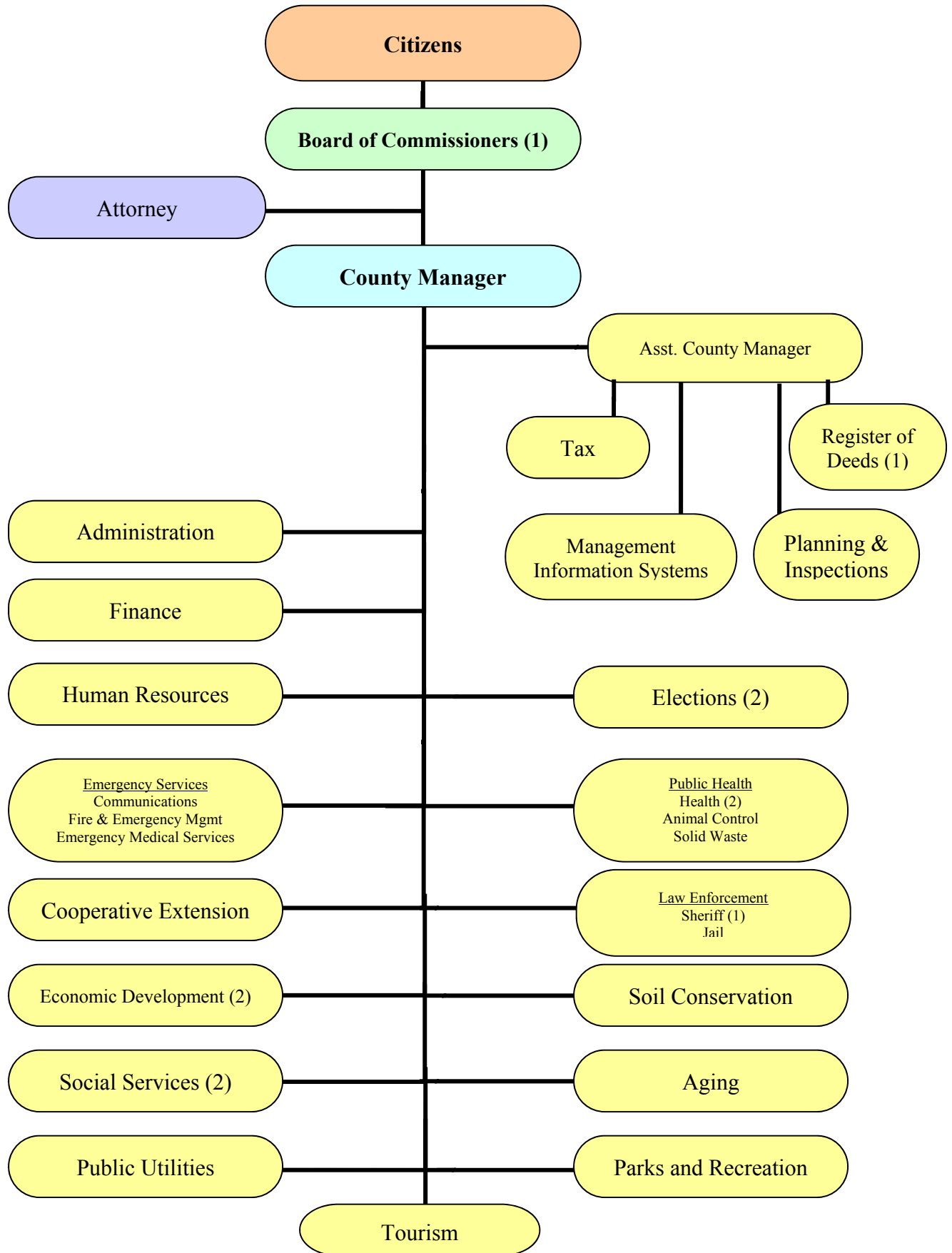
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**



Executive Director/CEO

# Nash County Organizational Chart



(1) Elected Office (2) Governed by Boards



Nash County, North Carolina  
Financial Statements and Schedules

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## ***FINANCIAL SECTION***

- *Independent Auditor's Report*
- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Notes to Financial Statements*

Nash County, North Carolina  
Financial Statements and Schedules

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Independent Auditor's Report**

To the Board of Commissioners  
Nash County  
Nashville, North Carolina

### **Report On the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nash County, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Nash County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Nash Health Care Systems and Subsidiaries which represents 98.8 percent, 98.4 percent, and 95.2 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Nash County ABC Board which represents 1.1 percent, 1.4 percent, and 4.4 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Nash Health Care Systems and Subsidiaries and the Nash County ABC Board are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based upon our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nash County as of June 30, 2016, and the respective changes in financial position, and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress, the Other Post-Employment Benefit's Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nash County's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements and; accordingly, we do not express an opinion or provide assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2016 on our consideration of Nash County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nash County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
November 16, 2016

Nash County, North Carolina  
Financial Statements and Schedules

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## **Management's Discussion and Analysis**

As management of Nash County, we offer readers of Nash County's financial statements this narrative overview and analysis of the financial activities of Nash County for the fiscal year ended June 30, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### **Financial Highlights**

- The assets and deferred outflows of resources of Nash County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$56,569,088 (*net position*). Of this amount, \$25,019,077 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Nash County's governmental funds reported combined ending fund balances of \$46,963,029 after a net decrease in fund balance of (\$288,827). Approximately 20.55% of this total amount, or \$9,652,355, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$27,328,980, or 30.62%, of total General Fund expenditures for the fiscal year.
- The tax rate was unchanged at 67 cents per \$100 valuation.
- Nash County's total debt decreased by (\$3,329,593) (5.4%) during the past fiscal year. Nash County's debt service for Governmental Funds accounts for 5.8% of total governmental expenditures.
- Nash County maintained its ratings by Standard & Poor's, AA- and Aa2 by Moody's. Additionally, the County's Limited Obligation Bonds are rated Aa3 by Moody's and A+ by Standard & Poor's.

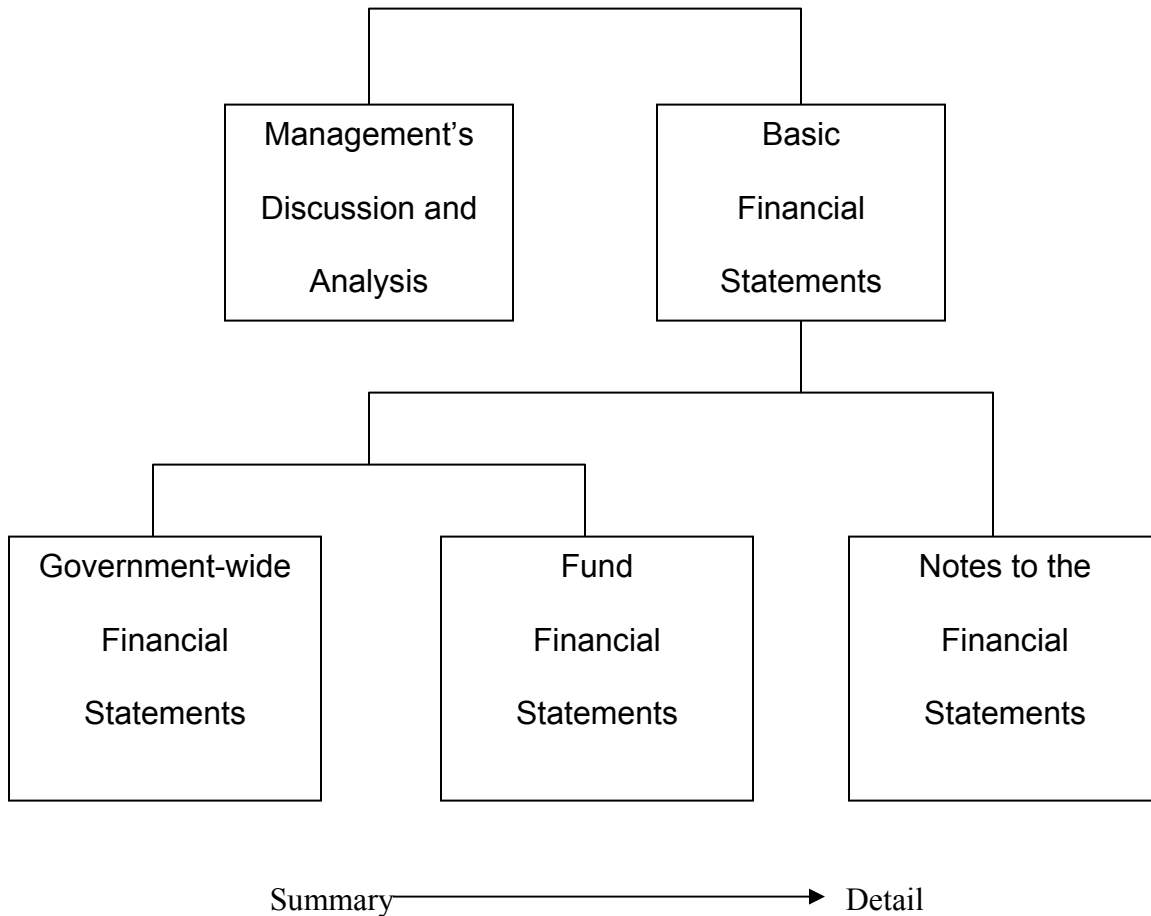
### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Nash County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Nash County.



## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **Government-wide Financial Statements** of the County. They provide both short and long-term information about the County and the discretely presented component units' financial status.

The next statements (Exhibits C – L) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's and the County's discretely presented component units' finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's and the County's discretely presented component units' financial status as a whole.

The two government-wide report the County's net position and how they have changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's and the discretely presented component units' basic services such as general government, public safety, transportation, economic and physical development, human services, cultural and education. Property taxes, sales taxes, and State and Federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These activities include water and sewer, and solid waste services offered by Nash County. The final category is the component units. Nash Health Care Systems is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 30 years. The County appoints the Board of Trustees for the Hospital and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Nash County Tourism Authority is also a component unit of Nash County.

The government-wide financial statements are on Exhibits A and B of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Nash County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Nash County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Nash County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** – Nash County maintains two kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Nash County uses its enterprise fund to account for its water and sewer activity and for its solid waste management function. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Nash County uses *Internal Service Funds* to account for its employee group insurance and workers compensation insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County has six agency funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are in the Financial Section of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Nash County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found in the Required Supplementary Information section of this report.

### **Government-Wide Financial Analysis**

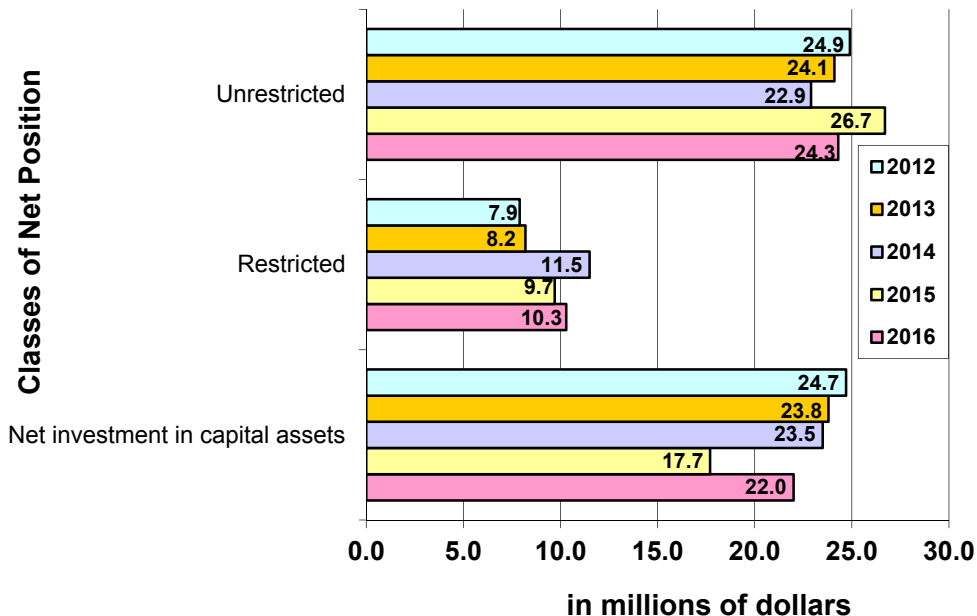
As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Nash County exceeded liabilities and deferred inflows of resources by \$56,569,088 as of June 30, 2016. The County's net position increased by \$2,494,566 for the fiscal year ended June 30, 2016. Net position of \$21,953,547 (38.8%) is net investment in capital assets (e.g. land, buildings, improvements, machinery, and equipment net of any related outstanding debt of those assets). Nash County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Nash County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Nash County's net position represents resources that are subject to external restrictions on how they may be used and is \$9,596,464 (17.0%) at June 30, 2016.

## Nash County's Net Position

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 55,720,752	\$ 59,982,267	\$ 7,553,080	\$ 6,509,985	\$ 63,273,832	\$ 66,492,252
Capital assets	46,446,712	46,856,756	33,796,068	31,762,137	80,242,780	78,618,893
Total assets	102,167,464	106,839,023	41,349,148	38,272,122	143,516,612	145,111,145
Total deferred outflows of resources	1,885,795	1,923,595	53,494	58,827	1,939,289	1,982,422
Long-term liabilities outstanding	61,921,044	60,084,807	17,150,446	17,608,854	79,071,490	77,693,661
Other liabilities	6,925,876	7,242,296	1,649,679	1,318,717	8,575,555	8,561,013
Total liabilities	68,846,920	67,327,103	18,800,125	18,927,571	87,647,045	86,254,674
Total deferred inflows of resources	1,209,285	6,564,769	30,483	199,602	1,239,768	6,764,371
Net position:						
Net investment in capital assets	2,028,479	249,745	19,925,068	17,471,637	21,953,547	17,721,382
Restricted	9,596,464	9,662,291	-	-	9,596,464	9,662,291
Unrestricted	22,372,111	24,958,710	2,646,966	1,732,139	25,019,077	26,690,849
Total net position	\$ 33,997,054	\$ 34,870,746	\$ 22,572,034	\$ 19,203,776	\$ 56,569,088	\$ 54,074,522

## Primary Government Net Position 5 Year Comparison



Several particular aspects of the County's financial operations and economy influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by increasing the collection percentage from 98.38% to 98.45 %.
- Increased charges for services due to growth in use of County facilities.
- Managements proactive stance on monitoring spending across county departments to ensure compliance with the budget.

### Nash County Changes in Net Position

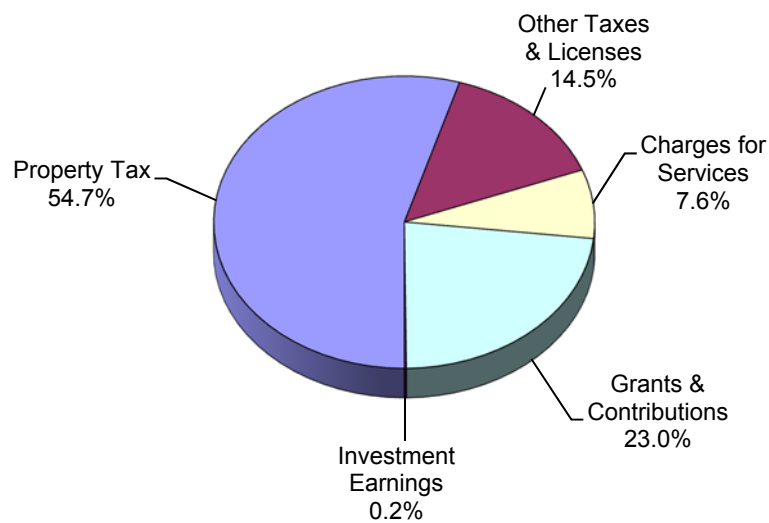
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 7,226,925	\$ 6,916,005	\$ 4,681,984	\$ 3,804,714	\$ 11,908,909	\$ 10,720,719
Operating grants and contributions	21,578,271	22,867,767	-	-	21,578,271	22,867,767
Capital grants and contributions	251,814	81,657	1,789,997	1,133,588	2,041,811	1,215,245
General Revenues:					-	-
Property taxes	51,883,872	51,316,899	-	-	51,883,872	51,316,899
Other taxes	13,777,257	12,930,830	-	-	13,777,257	12,930,830
Other:	165,052	122,178	13,246	4,698	178,298	126,876
Total revenues	94,883,191	94,235,336	6,485,227	4,943,000	101,368,418	99,178,336
Transfers	(1,504,743)	(558,475)	1,504,743	558,475	-	-
Expenses:						
General Government	11,127,910	8,970,694	-	-	11,127,910	8,970,694
Public safety	26,065,497	23,902,952	-	-	26,065,497	23,902,952
Transportation	329,043	300,342	-	-	329,043	300,342
Economic and physical development	2,563,004	1,532,645	-	-	2,563,004	1,532,645
Human services	26,151,256	25,982,297	-	-	26,151,256	25,982,297
Cultural	1,683,914	1,604,936	-	-	1,683,914	1,604,936
Education	24,705,879	30,547,692	-	-	24,705,879	30,547,692
Debt service - interest	1,625,637	1,991,634	-	-	1,625,637	1,991,634
Water and sewer	-	-	2,013,345	2,683,558	2,013,345	2,683,558
Solid waste disposal	-	-	2,608,367	2,065,199	2,608,367	2,065,199
Total expenses	94,252,140	94,833,192	4,621,712	4,748,757	98,873,852	99,581,949
Change in net position	(873,692)	(1,156,331)	3,368,258	752,718	2,494,566	(403,613)
Net position, beginning	34,870,746	39,399,311	19,203,776	18,561,229	54,074,522	57,960,540
Restatement	-	(3,372,234)	-	(110,171)	-	(3,482,405)
Net position, ending	\$33,997,054	\$34,870,746	\$22,572,034	\$19,203,776	\$56,569,088	\$54,074,522

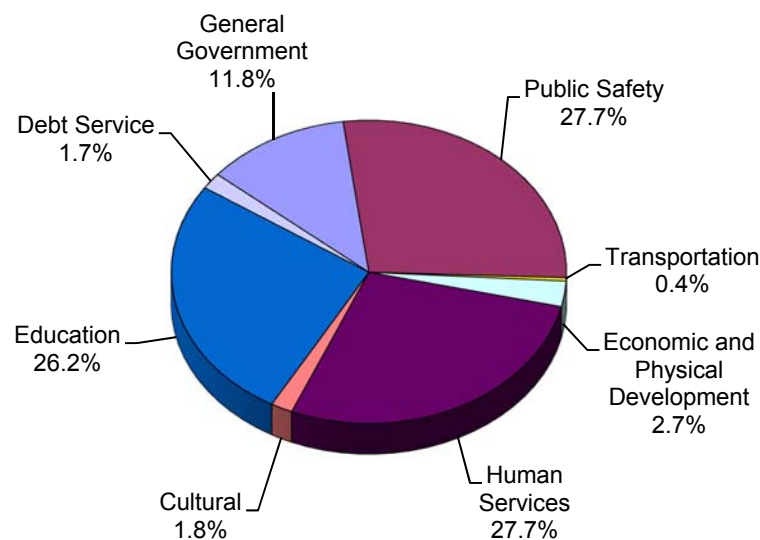
**Governmental Activities.** Governmental activities decreased the County's net position for fiscal year 2016 by (\$873,692) from prior year:

- Transfer to Water/Sewer Fund for debt services and capital grant project matching (\$1,504,743)
- Sales tax and other intergovernmental taxes increase indicative of an improving economy \$846,427
- Maintenance of the County's high tax collection rate of 98.45%

### Governmental Activities Revenue Sources For Fiscal Year 2016

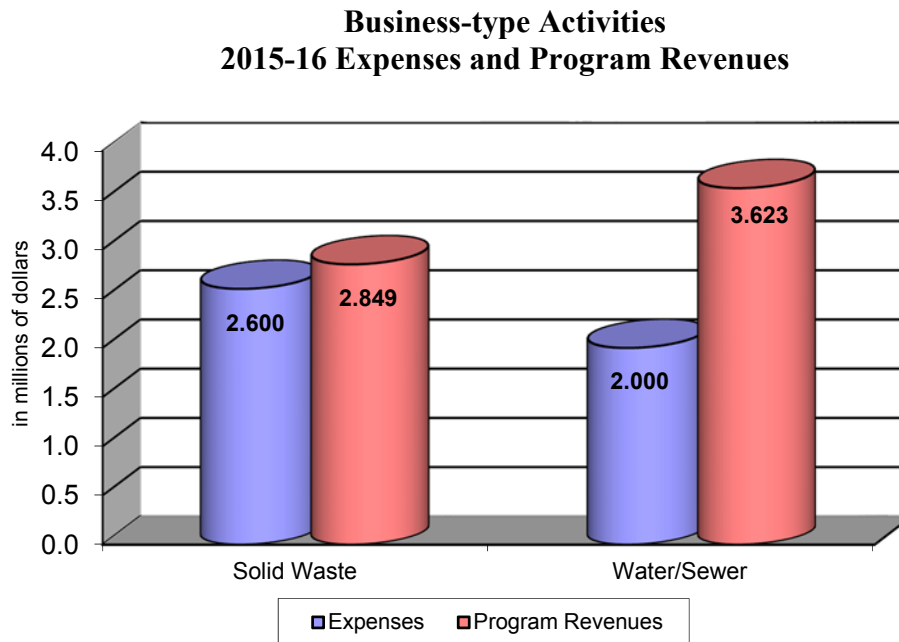


### Governmental Activities Functional Expenses For Fiscal Year 2016



**Business-type Activities.** Business-type activities increased Nash County's net position for fiscal year 2016 by \$3,368,258 over prior year:

- Transfer of funds from economic development to assist with debt service and water project matching requirements of capital grant funding \$1,504,743.
- Increase in solid waste rural household rates of \$469,935, which support convenience center operations, to help cover the cost of providing service.
- Capital grant funds of \$500,000 to the Water/Sewer Grant Project.



### Financial Analysis of the County's Funds

As noted earlier, Nash County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Nash County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Nash County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Nash County. At the end of the current fiscal year, fund balance available in the General Fund was \$33,659,288 while total fund balance reached \$40,116,299. The Governing Body of Nash County has determined that the County should maintain an available fund balance of 15% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 37.7% of General Fund expenditures, while total fund balance represents 44.9% of that same amount.



At June 30, 2016, the governmental funds of Nash County reported a combined fund balance of \$46,963,029, a (\$288,827) decrease from last year. This net decrease is primarily the result of transferring funds, to match capital grant project funding for a water/sewer project. This was primarily offset by an increase in revenues from other taxes and licenses.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,041,542 or 2.2% due primarily to increases in restricted inter-governmental revenues and proceeds from capital leasing.

Differences between the original budget and final budget are briefly summarized as follows:

- \$187,000 in Education for Nash Rocky Mount Schools – emergency capital funding from Lottery Funds
- \$210,000 for ONE NC Grant funds
- \$205,149 in Public Safety Grants
- \$119,781 in Human Services due primarily to increased funding for Child Care Development
- \$996,103 in Debt Service for Proceeds for lease of VOIP phone system and EMS defibrillators

**Proprietary Funds.** Nash County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water/Sewer Fund and Solid Waste Fund at the end of the fiscal year amounted to \$692,108 and \$2,114,672 respectively and those for Central Nash Water and Sewer District equaled (\$159,814). The total change in net position was an increase of \$3,368,258. This change was primarily the result of transfers in and capital grant contributions for a water/sewer grant project. The Utilities Fund includes operation of the Water/Sewer and Solid Waste Disposal Divisions. Other factors concerning the finances of this fund are addressed in Nash County's business-type activities later in this discussion.

### **Capital Asset and Debt Administration**

**Capital Assets.** Nash County's capital assets for its governmental and business-type activities as of June 30, 2016 totals \$80,242,780 (net of accumulated depreciation). These assets include buildings, land, vehicles, equipment and construction in progress. The total increase was \$1,623,887, a 2.1% increase in governmental activities.

Major capital asset transactions during the year include:

- Retirement and replacement of vehicles for Public Safety.
- Replacement of the County phone system.
- Retirement and replacement of EMS defibrillators.
- Purchase of a building for use by Sheriff's office.

### Nash County's Capital Assets (net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and improvements	\$ 10,399,219	\$ 10,416,606	\$ 607,181	\$ 676,135	\$ 11,006,400	\$ 11,092,741
Buildings	31,551,957	32,455,163	17,115	18,892	31,569,072	32,474,055
Infrastructure	380,145	394,311	12,174,147	12,499,548	12,554,292	12,893,859
Furniture and equipment	2,945,762	2,458,766	134,107	179,151	3,079,869	2,637,917
Vehicles	843,985	1,125,193	33,986	41,063	877,971	1,166,256
Construction in progress	325,644	6,717	20,829,532	18,347,348	21,155,176	18,354,065
Total	<u>\$ 46,446,712</u>	<u>\$ 46,856,756</u>	<u>\$ 33,796,068</u>	<u>\$ 31,762,137</u>	<u>\$ 80,242,780</u>	<u>\$ 78,618,893</u>

Additional information on the County's capital assets can be found in the Capital Assets Footnote, Note 5, within the Notes to the Financial Statements.

- **Long-term Debt.** As of June 30, 2016, Nash County had total debt outstanding of \$58,667,132. Of this amount, \$20,662,000 (35.2%) represents bonds secured by specified revenue sources. Total debt decreased \$3,329,593 during the past fiscal year as a result of principal payments on several series of bonds.

### Nash County's Outstanding Debt

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Installment Purchase						
Contracts	\$ 10,253,458	\$ 11,907,271	\$ 1,579,000	\$ 1,884,500	\$ 11,832,458	\$ 13,791,771
Capital Lease	1,117,702	871,832	-	-	1,117,702	871,832
Water Bonds	-	-	12,292,000	12,406,000	12,292,000	12,406,000
Limited Obligation Bonds	24,045,000	25,010,000	-	-	24,045,000	25,010,000
General Obligation Bonds	8,370,000	8,840,000	-	-	8,370,000	8,840,000
Discount on Bond Issuance	1,009,972	1,077,122	-	-	1,009,972	1,077,122
Bond Anticipation Notes	-	-	-	-	-	-
Total Debt	<u>\$ 44,796,132</u>	<u>\$ 47,706,225</u>	<u>\$ 13,871,000</u>	<u>\$ 14,290,500</u>	<u>\$ 58,667,132</u>	<u>\$ 61,996,725</u>

Nash County's General Obligation Bonds are currently rated Aa2 by Moody's and AA- by Standard & Poor's. Additionally, the County's Limited Obligation Bonds are rated Aa3 by Moody's and A+ by Standard & Poor's.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Nash County is \$561,154,693 for 2016 which is significantly more than Nash County's general obligation debt. The County has \$8,370,000 in General Obligation Bonds and \$12,292,000 in Water & Sewer Bonds at June 30, 2016.

Additional information regarding Nash County's long-term debt can be found in the Long-Term Obligations Footnote, Note 11, within the Notes to the Financial Statements.

### **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the economic condition of the County.

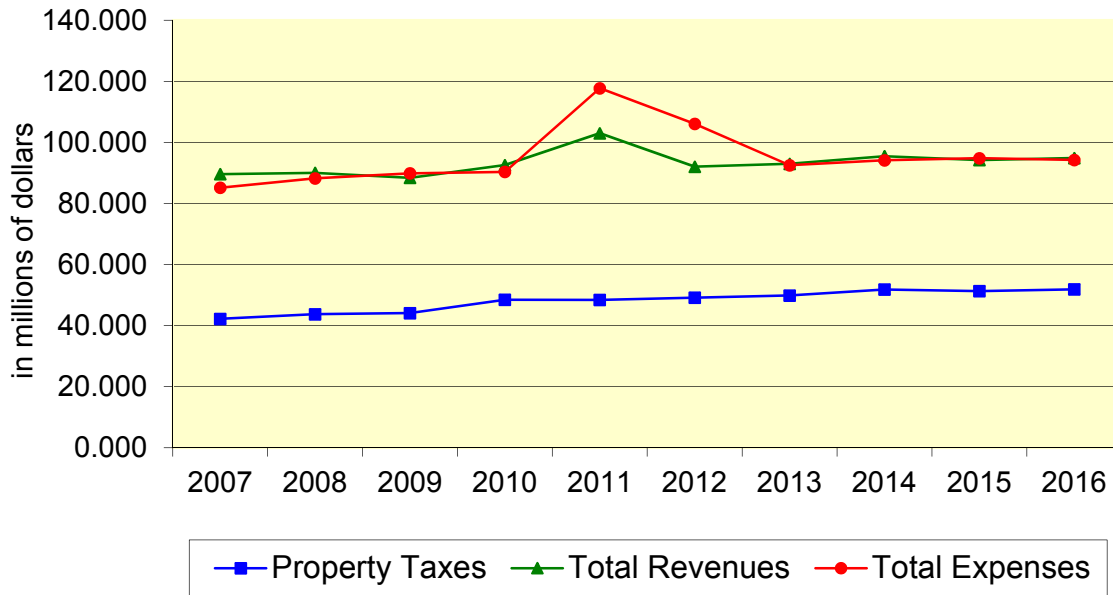
- The June 2016 unemployment rate for Nash County is 6.8% down from 8.0% in prior year.
- Nash County had industrial expansion commitments of \$16,200,000 in capital expenditures.

All of these growth factors were considered in preparing Nash County's budget for the 2017 fiscal year.

### **Budget Highlights for the Fiscal Year Ending June 30, 2017**

**Governmental Activities.** The tax base is projected to provide revenues of \$47,709,500 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$7,142,000,000 for fiscal year 2016-17. Budgeted expenditures for fiscal year 2016-17 in the General Fund reflect a decrease from the previous fiscal year original budget of 0.6%. This is due primarily to reductions in capital requests. The fiscal year 2016-17 budget appropriates \$1,800,000 of unassigned fund balance and \$979,907 from other fund balance reserves, to balance the general fund budget. No tax increase was proposed or implemented in Nash County's fiscal year 2017 budget.

### Governmental Activities Comparison of Total Expenses, Property Taxes, and Total Revenues



**Business-type Activities.** The water/sewer and solid waste rates in the County will remain the same for fiscal year 2016-2017. These rates should adequately cover the costs of operations. The budgeted revenues and expenditures increase for the Water/Sewer Fund and Solid Waste Fund were 0.6% and 5.0% respectively. The budget increase for operations of solid waste activities is due primarily to the increase in anticipated post closure expenditures. The Solid Waste staff continues to focus on the operation of the County C&D Landfill System.

#### Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Nash County, 120 W. Washington St., Suite 3072, Nashville, NC 27856. You can also call (252)-459-9803, visit our website [www.co.nash.nc.us](http://www.co.nash.nc.us) or send an email to [donna.wood@nashcountync.gov](mailto:donna.wood@nashcountync.gov) for more information.

Nash County, North Carolina  
Financial Statements and Schedules

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# ***BASIC FINANCIAL STATEMENTS***

Nash County, North Carolina  
Financial Statements and Schedules

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# ***GOVERNMENT- WIDE FINANCIAL STATEMENTS***



Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business- Type Activities	Total Primary Government	Discretely Presented Component Units	Total Reporting Unit
<b>Assets:</b>					
Cash and cash equivalents	\$ 31,661,941	\$ 6,954,872	\$ 38,616,813	\$ 9,726,145	\$ 48,342,958
Investments	13,940,100	-	13,940,100	-	13,940,100
Receivables:					
Taxes receivable, net	2,505,490	-	2,505,490	60,645	2,566,135
Accounts receivable, net	6,010,585	315,558	6,326,143	35,751,012	42,077,155
Prepaid items and other assets	24,145	-	24,145	18,400,854	18,424,999
Inventories	-	-	-	6,327,541	6,327,541
Cash and cash equivalents - restricted	430,411	282,650	713,061	217,936,530	218,649,591
Net investment in Joint Venture	954,575	-	954,575	-	954,575
Net pension asset	193,505	-	193,505	-	193,505
Capital assets:					
Non-depreciable capital assets	10,504,578	21,137,717	31,642,295	4,579,772	36,222,067
Other capital assets, net of depreciation	35,942,134	12,658,351	48,600,485	148,059,820	196,660,305
Total assets	102,167,464	41,349,148	143,516,612	440,842,319	584,358,931
<b>Deferred Outflows of Resources:</b>					
Deferred charge on refunding	9,209	-	9,209	-	9,209
Pension deferrals	59,367	1,342	60,709	-	60,709
Contributions to pension plan in current fiscal year	1,817,219	52,152	1,869,371	10,680,945	12,550,316
Total deferred outflows of resources	1,885,795	53,494	1,939,289	10,680,945	12,620,234
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	3,171,303	909,770	4,081,073	42,593,067	46,674,140
Accrued interest payable	377,228	49,852	427,080	-	427,080
Distribution payable	-	-	-	55,702	55,702
Liabilities payable from restricted assets:					
Customer deposits	-	94,650	94,650	-	94,650
Current portion of accrued landfill post-closure costs	-	100,000	100,000	-	100,000
Current portion of compensated absences	108,273	1,907	110,180	-	110,180
Current portion of long-term debt	3,269,072	493,500	3,762,572	2,378,577	6,141,149
Long-term liabilities:					
Accrued landfill post-closure costs	-	3,236,316	3,236,316	-	3,236,316
Net pension liability	1,982,001	57,094	2,039,095	40,032	2,079,127
Non-current portion of long-term debt	41,527,060	13,377,500	54,904,560	104,997,430	159,901,990
OPEB liability	15,388,857	443,300	15,832,157	-	15,832,157
Unfunded pension obligation	965,936	-	965,936	-	965,936
Non-current portion of compensated absences	2,057,190	36,236	2,093,426	-	2,093,426
Total liabilities	68,846,920	18,800,125	87,647,045	150,064,808	237,711,853
<b>Deferred Inflows of Resources:</b>					
Prepaid property taxes	147,909	-	147,909	-	147,909
Pension deferrals	1,061,376	30,483	1,091,859	725,475	1,817,334
Total deferred inflows of resources	1,209,285	30,483	1,239,768	725,475	1,965,243
<b>Net Position:</b>					
Net investment in capital assets	2,028,479	19,925,068	21,953,547	46,454,404	68,407,951
Restricted for:					
Stabilization by State statute	6,622,156	-	6,622,156	60,645	6,682,801
Public safety	788,166	-	788,166	-	788,166
Human services	1,952,830	-	1,952,830	-	1,952,830
Economic and physical development	233,312	-	233,312	635,777	869,089
Working capital	-	-	-	303,308	303,308
Unrestricted	22,372,111	2,646,966	25,019,077	253,278,847	278,297,924
Total net position	\$ 33,997,054	\$ 22,572,034	\$ 56,569,088	\$ 300,732,981	\$ 357,302,069

The accompanying notes are an integral part of the financial statements.

NASH COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 11,127,910	\$ 2,005,436	\$ -	\$ -
Public safety	26,065,497	4,670,760	1,033,274	251,814
Transportation	329,043	-	-	-
Economic and physical development	2,563,004	-	806,807	-
Human services	26,151,256	550,729	19,478,114	-
Cultural	1,683,914	-	-	-
Education	24,705,879	-	260,076	-
Debt service - interest	1,625,637	-	-	-
Total governmental activities	<u>94,252,140</u>	<u>7,226,925</u>	<u>21,578,271</u>	<u>251,814</u>
<b>Business-Type Activities:</b>				
Water and sewer	2,017,545	1,833,399	-	1,789,997
Solid waste disposal	<u>2,608,367</u>	<u>2,852,785</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>4,625,912</u>	<u>4,686,184</u>	<u>-</u>	<u>1,789,997</u>
Total primary government	<u>\$ 98,878,052</u>	<u>\$ 11,913,109</u>	<u>\$ 21,578,271</u>	<u>\$ 2,041,811</u>
<b>Component Units:</b>				
Tourism Development Authority	\$ 753,694	\$ -	\$ 803,672	\$ -
Health Care Systems and Subsidiaries	226,816,263	220,550,497	-	-
ABC Board	<u>9,951,226</u>	<u>10,239,844</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 237,521,183</u>	<u>\$ 230,790,341</u>	<u>\$ 803,672</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

NASH COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	Total Reporting Unit
	Governmental Activities	Business-Type Activities	Total		
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government	\$ (9,122,474)	\$ -	\$ (9,122,474)	\$ -	\$ (9,122,474)
Public safety	(20,109,649)	-	(20,109,649)	-	(20,109,649)
Transportation	(329,043)	-	(329,043)	-	(329,043)
Economic and physical development	(1,756,197)	-	(1,756,197)	-	(1,756,197)
Human services	(6,122,413)	-	(6,122,413)	-	(6,122,413)
Cultural	(1,683,914)	-	(1,683,914)	-	(1,683,914)
Education	(24,445,803)	-	(24,445,803)	-	(24,445,803)
Debt service - interest	(1,625,637)	-	(1,625,637)	-	(1,625,637)
Total governmental activities	(65,195,130)	-	(65,195,130)	-	(65,195,130)
<b>Business-Type Activities:</b>					
Water and sewer	-	1,605,851	1,605,851	-	1,605,851
Solid waste disposal	-	244,418	244,418	-	244,418
Total business-type activities	-	1,850,269	1,850,269	-	1,850,269
Total primary government	(65,195,130)	1,850,269	(63,344,861)	-	(63,344,861)
<b>Component Units:</b>					
Tourism Development Authority	-	-	-	49,978	49,978
Health Care Systems and Subsidiaries	-	-	-	(6,265,766)	(6,265,766)
ABC Board	-	-	-	288,618	288,618
Total component units	-	-	-	(5,927,170)	(5,927,170)
<b>General Revenues:</b>					
Taxes:					
Ad valorem taxes	51,883,872	-	51,883,872	-	51,883,872
Local option sales tax	13,429,467	-	13,429,467	-	13,429,467
Excise tax	261,290	-	261,290	-	261,290
Other taxes	86,500	-	86,500	-	86,500
Investment earnings	165,052	13,246	178,298	303,100	481,398
Total general revenues	65,826,181	13,246	65,839,427	303,100	66,142,527
<b>Transfers</b>	(1,504,743)	1,504,743	-	-	-
Total general revenues and transfers	64,321,438	1,517,989	65,839,427	303,100	66,142,527
Change in net position	(873,692)	3,368,258	2,494,566	(5,624,070)	(3,129,504)
<b>Net Position:</b>					
Beginning of year - July 1	34,870,746	19,203,776	54,074,522	306,357,051	360,431,573
End of year - June 30	\$ 33,997,054	\$ 22,572,034	\$ 56,569,088	\$ 300,732,981	\$ 357,302,069

The accompanying notes are an integral part of the financial statements.

Nash County, North Carolina  
Financial Statements and Schedules

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## ***FUND FINANCIAL STATEMENTS***

Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Major	Nonmajor	Total
	General Fund	Other Governmental Funds	Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 21,822,542	\$ 6,923,102	\$ 28,745,644
Investments	13,940,100	-	13,940,100
Taxes receivable, net	2,505,490	-	2,505,490
Accounts receivable, net	5,825,191	185,394	6,010,585
Due from other funds	104,005	-	104,005
Prepaid items and other assets	24,145	-	24,145
Restricted assets:			
Restricted cash	398,665	31,746	430,411
Total assets	<u>\$ 44,620,138</u>	<u>\$ 7,140,242</u>	<u>\$ 51,760,380</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 1,850,440	\$ 189,507	\$ 2,039,947
Due to other funds	-	104,005	104,005
Total liabilities	<u>1,850,440</u>	<u>293,512</u>	<u>2,143,952</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes receivable	2,505,490	-	2,505,490
Prepaid property taxes	147,909	-	147,909
Total deferred inflows of resources	<u>2,653,399</u>	<u>-</u>	<u>2,653,399</u>
<b>Fund Balances:</b>			
Non-spendable, not in spendable form:			
Prepaid assets	24,145	-	24,145
Restricted:			
Stabilization by State statute	6,432,866	189,290	6,622,156
Restricted, all other	1,952,830	1,053,224	3,006,054
Committed	229,267	5,561,060	5,790,327
Assigned	4,148,211	155,143	4,303,354
Unassigned	27,328,980	(111,987)	27,216,993
Total fund balances	<u>40,116,299</u>	<u>6,846,730</u>	<u>46,963,029</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,620,138</u>	<u>\$ 7,140,242</u>	
Amounts reports for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			46,446,712
Net pension asset			193,505
Net pension liability			(1,982,001)
Net investment in joint venture			954,575
Contributions to pension plans in the current fiscal year are deferred outflow: of resources on the Statement of Net Position.			1,817,219
Pension related deferrals			(1,002,009)
Long-term liabilities, accrued interest and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.			(63,693,616)
Assets and liabilities of the internal service funds used by management to account for insurance costs are included in governmental activities in the Statement of Net Position.			1,784,941
Liabilities for earned revenues considered deferred inflows of resources in the fund statements			2,505,490
Charges related to refunding bond issue			9,209
Net position of governmental activities			<u>\$ 33,997,054</u>

The accompanying notes are an integral part of the financial statements.



# NASH COUNTY, NORTH CAROLINA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
<b>Revenues:</b>			
Ad valorem taxes	\$ 49,059,803	\$ 3,109,841	\$ 52,169,644
Other taxes and licenses	13,777,257	-	13,777,257
Unrestricted intergovernmental	327,362	-	327,362
Restricted intergovernmental	19,738,190	1,624,748	21,362,938
Permits and fees	1,126,470	-	1,126,470
Sales and services	5,112,198	-	5,112,198
Investment earnings	153,429	6,327	159,756
Miscellaneous	928,590	27,543	956,133
Total revenues	<u>90,223,299</u>	<u>4,768,459</u>	<u>94,991,758</u>
<b>Expenditures:</b>			
Current:			
General government	8,859,306	1,680	8,860,986
Public safety	20,861,970	4,655,962	25,517,932
Transportation	156,022	173,021	329,043
Economic and physical development	2,049,813	676,859	2,726,672
Human services	25,528,622	-	25,528,622
Cultural and recreation	1,662,551	-	1,662,551
Education	24,639,556	-	24,639,556
Debt service:			
Principal	3,838,830	-	3,838,830
Interest	1,667,537	-	1,667,537
Total expenditures	<u>89,264,207</u>	<u>5,507,522</u>	<u>94,771,729</u>
Revenues over (under) expenditures	<u>959,092</u>	<u>(739,063)</u>	<u>220,029</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	1,154,930	1,154,930
Transfers out	(2,659,673)	-	(2,659,673)
Capital lease obligations issued	995,887	-	995,887
Total other financing sources (uses)	<u>(1,663,786)</u>	<u>1,154,930</u>	<u>(508,856)</u>
Net change in fund balances	(704,694)	415,867	(288,827)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>40,820,993</u>	<u>6,430,863</u>	<u>47,251,856</u>
End of year - June 30	<u>\$ 40,116,299</u>	<u>\$ 6,846,730</u>	<u>\$ 46,963,029</u>

The accompanying notes are an integral part of the financial statements.

# NASH COUNTY, NORTH CAROLINA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ (288,827)
Property tax revenues in the governmental funds statement that were actually earned are reflected as revenues in the prior periods on the Statement of Activities.	(285,772)
Expenses related to compensated absences, accrued interest, OPEB, and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(2,388,037)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	2,236,681
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,646,725)
Internal Service Fund	(1,122,202)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	3,838,830
Contributions to the pension plan in the current fiscal year and deferred charges on refunding are deferred outflows of resources on the Statement of Net Position.	(29,720)
Pension expense	740,817
Governmental funds report the effect of bond premiums when the debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	67,150
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, they are not a revenue, rather they are an increase in liabilities.	<u>(995,887)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (873,692)</u>

*The accompanying notes are an integral part of the financial statements.*

## NASH COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Over/Under</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 47,300,000	\$ 47,300,000	\$ 49,059,803	\$ 1,759,803
Other taxes and licenses	12,520,000	12,520,000	13,777,257	1,257,257
Unrestricted intergovernmental	375,000	380,000	327,362	(52,638)
Restricted intergovernmental	20,328,087	21,297,200	19,738,190	(1,559,010)
Permits and fees	981,200	987,858	1,126,470	138,612
Sales and services	4,826,173	4,844,302	5,112,198	267,896
Investment earnings	140,000	140,000	152,962	12,962
Miscellaneous	1,008,793	1,055,332	928,590	(126,742)
Total revenues	<u>87,479,253</u>	<u>88,524,692</u>	<u>90,222,832</u>	<u>1,698,140</u>
<b>Expenditures:</b>				
Current:				
General government	9,325,145	10,099,809	8,550,516	1,549,293
Public safety	20,700,866	21,725,525	20,861,970	863,555
Transportation	188,242	188,242	156,022	32,220
Economic and physical development	2,056,389	2,357,621	2,049,813	307,808
Human services	27,846,841	28,148,232	25,528,622	2,619,610
Cultural and recreation	1,640,003	1,682,946	1,662,551	20,395
Education	24,302,151	24,649,678	24,639,556	10,122
Debt service:				
Principal	3,811,857	3,809,252	3,838,830	(29,578)
Interest	1,763,384	1,765,989	1,667,537	98,452
Contingency	40,000	40,000	-	40,000
Total expenditures	<u>91,674,878</u>	<u>94,467,294</u>	<u>88,955,417</u>	<u>5,511,877</u>
Revenues over (under) expenditures	<u>(4,195,625)</u>	<u>(5,942,602)</u>	<u>1,267,415</u>	<u>7,210,017</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	200,000	200,000	-	(200,000)
Transfers out	(115,000)	(769,930)	(769,930)	-
Capital lease obligations issued	-	996,103	995,887	(216)
Fund balance appropriated	4,110,625	5,516,429	-	(5,516,429)
Total other financing sources (uses)	<u>4,195,625</u>	<u>5,942,602</u>	<u>225,957</u>	<u>(5,716,645)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,493,372</u>	<u>\$ 1,493,372</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>37,345,419</u>	
End of year - June 30			<u>\$ 38,838,791</u>	

The accompanying notes are an integral part of the financial statements.

## NASH COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Central Nash Water and Sewer District	Total	Governmental Activities Internal Service Funds
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and investments	\$ 1,159,844	\$ 5,795,028	\$ -	\$ 6,954,872	\$ 2,916,297
Due from other funds	311,664	-	-	311,664	-
Accounts receivable, net	250,774	64,784	-	315,558	-
Restricted cash and investments	94,650	-	188,000	282,650	-
Total current assets	1,816,932	5,859,812	188,000	7,864,744	2,916,297
<b>Non-current assets:</b>					
Non-depreciable capital assets	2,422,527	308,185	18,407,005	21,137,717	-
Other capital assets, net of depreciation	12,212,616	445,735	-	12,658,351	-
Total non-current assets	14,635,143	753,920	18,407,005	33,796,068	-
Total assets	16,452,075	6,613,732	18,595,005	41,660,812	2,916,297
<b>Deferred Outflows of Resources:</b>					
Pension deferrals	623	719	-	1,342	-
Contributions to pension plan in current fiscal year	24,213	27,939	-	52,152	-
Total deferred outflows of resources	24,836	28,658	-	53,494	-
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	760,501	149,269	-	909,770	1,131,356
Accrued interest payable	13,702	-	36,150	49,852	-
Due to other funds	-	-	311,664	311,664	-
Current portion of accrued landfill post-closure costs	-	100,000	-	100,000	-
Current portion of compensated absences	1,716	191	-	1,907	-
Current portion of long-term debt	305,500	-	188,000	493,500	-
Liabilities payable from restricted assets:					
Customer deposits	94,650	-	-	94,650	-
Total current liabilities	1,176,069	249,460	535,814	1,961,343	1,131,356
<b>Non-current liabilities:</b>					
Non-current portion of long-term debt	1,273,500	-	12,104,000	13,377,500	-
Net pension liability	26,508	30,586	-	57,094	-
OPEB liability	205,818	237,482	-	443,300	-
Accrued landfill closure and post-closure care costs	-	3,236,316	-	3,236,316	-
Compensated absences	32,612	3,624	-	36,236	-
Total non-current liabilities	1,538,438	3,508,008	12,104,000	17,150,446	-
Total liabilities	2,714,507	3,757,468	12,639,814	19,111,789	1,131,356
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	14,153	16,330	-	30,483	-
<b>Net Position:</b>					
Net investment in capital assets	13,056,143	753,920	6,115,005	19,925,068	-
Unrestricted	692,108	2,114,672	(159,814)	2,646,966	1,784,941
Total net position	\$ 13,748,251	\$ 2,868,592	\$ 5,955,191	\$ 22,572,034	\$ 1,784,941

The accompanying notes are an integral part of the financial statements.

## NASH COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Central Nash Water and Sewer District	Total	Governmental Activities Internal Service Funds
<b>Operating Revenues:</b>					
Charges for sales and services	\$ 1,833,399	\$ 2,578,005	\$ -	\$ 4,411,404	\$ 6,188,408
Other operating revenue	37,435	237,345	-	274,780	-
Total operating revenues	1,870,834	2,815,350	-	4,686,184	6,188,408
<b>Operating Expenses:</b>					
Water and sewer operations	1,010,923	-	-	1,010,923	-
Solid waste disposal operations	-	2,608,367	-	2,608,367	-
System repairs and improvements	7,210	-	18,429	25,639	-
Depreciation	331,448	134,451	-	465,899	-
Insurance claims	-	-	-	-	7,333,307
Total operating expenses	1,349,581	2,742,818	18,429	4,110,828	7,333,307
Operating income (loss)	521,253	72,532	(18,429)	575,356	(1,144,899)
<b>Non-Operating Revenues (Expenses):</b>					
Interest and fees paid	(60,105)	-	(451,375)	(511,480)	-
Investment earnings	1,172	12,074	-	13,246	5,296
Gain (loss) on disposal of asset	-	(3,604)	-	(3,604)	-
Total non-operating revenues (expenses)	(58,933)	8,470	(451,375)	(501,838)	5,296
Income before transfers and contributions	462,320	81,002	(469,804)	73,518	(1,139,603)
Capital contributions	1,289,997	-	500,000	1,789,997	-
<b>Transfers:</b>					
Transfers to other funds	(565,728)	(500,000)	-	(1,065,728)	-
Transfers from other funds	2,004,743	-	565,728	2,570,471	-
Total transfers	1,439,015	(500,000)	565,728	1,504,743	-
Change in net position	3,191,332	(418,998)	595,924	3,368,258	(1,139,603)
<b>Net Position:</b>					
Beginning of year- July 1	10,556,919	3,287,590	5,359,267	19,203,776	2,924,544
End of year - June 30	\$ 13,748,251	\$ 2,868,592	\$ 5,955,191	\$ 22,572,034	\$ 1,784,941

The accompanying notes are an integral part of the financial statements.

## NASH COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Central Nash Water and Sewer District	Total	Governmental Activities Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 1,935,649	\$ 5,277,060	\$ -	\$ 7,212,709	\$ -
Cash received for interfund services	-	-	-	-	6,246,974
Cash paid for goods and services	(2,982,279)	(1,951,220)	(18,429)	(4,951,928)	(6,995,076)
Cash paid to employees for services	(700,793)	(309,226)	-	(1,010,019)	-
Customer deposits	4,330	-	-	4,330	-
Net cash provided (used) by operating activities	(1,743,093)	3,016,614	(18,429)	1,255,092	(748,102)
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Change in due to other funds	-	-	(221,765)	(221,765)	-
Change in due from other funds	221,765	-	-	221,765	-
Transfers to other funds	(565,728)	(500,000)	-	(1,065,728)	-
Transfers from other funds	2,004,743	-	565,728	2,570,471	-
Net cash provided (used) by non-capital financing activities	1,660,780	(500,000)	343,963	1,504,743	-
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital contributions	1,289,997	-	500,000	1,789,997	-
Principal paid on long-term debt	(305,500)	-	(114,000)	(419,500)	-
Interest paid on long-term debt	(65,313)	-	(451,728)	(517,041)	-
Acquisition of capital assets	(2,294,164)	(21,250)	(188,020)	(2,503,434)	-
Net cash provided (used) by capital and related financing activities	(1,374,980)	(21,250)	(253,748)	(1,649,978)	-
<b>Cash Flows from Investing Activities:</b>					
Investment earnings	1,172	12,074	-	13,246	5,296
Net increase (decrease) in cash and cash equivalents	(1,456,121)	2,507,438	71,786	1,123,103	(742,806)
Cash and cash equivalents - July 1	2,710,615	3,287,590	116,214	6,114,419	3,659,103
Cash and cash equivalents - June 30	<u>\$ 1,254,494</u>	<u>\$ 5,795,028</u>	<u>\$ 188,000</u>	<u>\$ 7,237,522</u>	<u>\$ 2,916,297</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 521,253	\$ 72,532	\$ (18,429)	\$ 575,356	\$ (1,144,899)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	331,448	134,451	-	465,899	-
Decrease in net pension asset	81,896	-	-	81,896	-
Increase in net pension liability	26,508	30,586	-	57,094	-
Decrease in deferred inflows of resources - pensions	(185,449)	16,330	-	(169,119)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	64,815	(64,784)	-	31	58,566
Increase (decrease) in accounts payable and accrued liabilities	777,850	(480,159)	-	297,691	338,231
Increase (decrease) in deferred outflows of resources for pensions	32,072	(28,658)	-	3,414	-
Increase (decrease) in customer deposits	4,330	-	-	4,330	-
Increase (decrease) in landfill closure and post-closure care costs	(3,397,816)	3,336,316	-	(61,500)	-
Net cash provided (used) by operating activities	<u>\$ (1,743,093)</u>	<u>\$ 3,016,614</u>	<u>\$ (18,429)</u>	<u>\$ 1,255,092</u>	<u>\$ (748,102)</u>

The accompanying notes are an integral part of the financial statements.

# NASH COUNTY, NORTH CAROLINA

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

JUNE 30, 2016

	<u>Agency Fund</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 72,431
Receivables	<u>210,349</u>
Total assets	<u>\$ 282,780</u>
<b>Liabilities:</b>	
Accounts payable	\$ 67,783
Intergovernmental payable	<u>214,997</u>
Total liabilities	<u>\$ 282,780</u>

*The accompanying notes are an integral part of the financial statements.*

## NASH COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF NET POSITION**  
**ALL DISCRETELY PRESENTED COMPONENT UNITS**  
**JUNE 30, 2016**

	<b>Nash County Tourism Development Authority</b>	<b>Nash Health Care Systems and Subsidiaries</b>	<b>Nash County ABC Board</b>	<b>Total Component Units</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 636,527	\$ 6,869,228	\$ 2,220,390	\$ 9,726,145
Cash and cash equivalents - restricted	-	217,936,530	-	217,936,530
Receivables:				
Taxes receivable, net	60,645	-	-	60,645
Accounts receivable, net	-	35,751,012	-	35,751,012
Prepaid items and other assets	-	18,400,854	-	18,400,854
Inventories	-	5,028,848	1,298,693	6,327,541
Capital assets:				
Depreciable capital assets, net	-	146,748,330	1,311,490	148,059,820
Non-depreciable assets	-	4,579,772	-	4,579,772
Total assets	<u>697,172</u>	<u>435,314,574</u>	<u>4,830,573</u>	<u>440,842,319</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>10,614,039</u>	<u>66,906</u>	<u>10,680,945</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	750	42,095,931	496,386	42,593,067
Distributions payable	-	-	55,702	55,702
Current portion - long-term debt	-	2,378,577	-	2,378,577
Net pension liability	-	-	40,032	40,032
Non-current portion - long-term debt	-	104,890,837	106,593	104,997,430
Total liabilities	<u>750</u>	<u>149,365,345</u>	<u>698,713</u>	<u>150,064,808</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>704,668</u>	<u>20,807</u>	<u>725,475</u>
<b>Net Position:</b>				
Net investment in capital assets	-	45,142,914	1,311,490	46,454,404
Restricted for:				
Stabilization by State statute	60,645	-	-	60,645
Tourism	635,777	-	-	635,777
Working capital	-	-	303,308	303,308
Unrestricted	-	250,715,686	2,563,161	253,278,847
Total net position	<u>\$ 696,422</u>	<u>\$ 295,858,600</u>	<u>\$ 4,177,959</u>	<u>\$ 300,732,981</u>

The accompanying notes are an integral part of the financial statements.



NASH COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF ACTIVITIES  
ALL DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions
		Charges for Services	Operating Grants and Contributions	
<b>Component Units:</b>				
Tourism Development Authority	\$ 753,694	\$ -	\$ 803,672	\$ -
Health Care Systems and Subsidiaries	226,816,263	220,550,497	-	-
ABC Board	9,951,226	10,239,844	-	-
Total component units	<u>\$ 237,521,183</u>	<u>\$ 230,790,341</u>	<u>\$ 803,672</u>	<u>\$ -</u>

*The accompanying notes are an integral part of the financial statements.*

**NASH COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF ACTIVITIES**  
**ALL DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>Functions/Programs</b>	<b>Program Revenues</b>			<b>Total Component Units</b>
	<b>Tourism Development Authority</b>	<b>Health Care Systems and Subsidiaries</b>	<b>ABC Board</b>	
<b>Component Units:</b>				
Tourism Development Authority	\$ 49,978	\$ -	\$ -	\$ 49,978
Health Care Systems and Subsidiaries	-	(6,265,766)	-	(6,265,766)
ABC Board	-	-	288,618	288,618
Total component units	<u>49,978</u>	<u>(6,265,766)</u>	<u>288,618</u>	<u>(5,927,170)</u>
<b>General Revenues:</b>				
Investment earnings:				
Tourism Development Authority	506	-	-	506
Health Care Systems and Subsidiaries	-	294,940	-	294,940
ABC Board	-	-	7,654	7,654
Total general revenues	<u>506</u>	<u>294,940</u>	<u>7,654</u>	<u>303,100</u>
Change in net position	50,484	(5,970,826)	296,272	(5,624,070)
<b>Net Position:</b>				
Beginning of year - July 1	<u>645,938</u>	<u>301,829,426</u>	<u>3,881,687</u>	<u>306,357,051</u>
End of year - June 30	<u>\$ 696,422</u>	<u>\$ 295,858,600</u>	<u>\$ 4,177,959</u>	<u>\$ 300,732,981</u>

*The accompanying notes are an integral part of the financial statements.*

Nash County, North Carolina  
Financial Statements and Schedules

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## ***NOTES TO FINANCIAL STATEMENTS***

Nash County, North Carolina  
Financial Statements and Schedules

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# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Note 1 – Summary of Significant Accounting Policies

The accounting policies of Nash County, North Carolina, and its discretely presented component units conform to accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

#### REPORTING ENTITY

Nash County is located in the eastern part of North Carolina in the coastal plains area and has a population of approximately 94,000. The County Seat is located in Nashville, North Carolina. The County, which is governed by a seven-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable.

**Blended Component Units** – Central Nash Water and Sewer District (Central) exists to provide and maintain water and sewer services for residents within the District. Under State law (G. S. 162A-89), the County's Board of Commissioners serves as the governing board for the District and there is a financial benefit between the District and County. Central was reported as an enterprise fund in the County's financial statements. The District does not issue separate financial statements.

#### Component Units:

The County's three discretely presented component units described below are reported in separate combining government-wide financial statements.

- Nash County Tourism Development Authority – The fifteen members of the Nash County Tourism Development Authority's governing board, including the Chairman, are appointed by the County. The Finance Officer for the County serves as ex-officio Finance Officer for the Authority. The County levies, collects, and remits a room occupancy tax on behalf of the Authority. The Authority, which has a June 30 year-end, is presented as a Component Unit.
- Nash Health Care Systems and Subsidiaries of Nash County, North Carolina – Nash Health Care Systems and Subsidiaries of Nash County is a Hospital Authority created under the provisions of Article 12 of Chapter 131 of the State statutes. The County appoints the fourteen-member governing board of the Authority, and there is a potential financial benefit/burden to the County. The Authority includes the operations of Nash Hospitals, Inc. and subsidiary, Nash Community Health Services, Inc., Nash MSO, Inc., Nash Medical Development Authority, and Nash Health Care Foundation. The County leases the hospital facilities to the Authority in accordance with a thirty-year operating agreement (Note 5). The Authority, which has a June 30 year-end, is presented as a component unit.
- Nash County ABC Board – The five members of the Nash County ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surplus to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a component unit.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Complete financial statements for each of the individual component units may be obtained at the administrative offices of those entities as follows:

Nash County Tourism Development Authority  
120 W. Washington Street, Suite 3072  
Nashville, NC 27856

Nash Health Care Systems and Subsidiaries of Nash County  
Nash General Hospital  
2460 Curtis Ellis Drive  
Rocky Mount, NC 27804

Nash County ABC Board  
1206 Eastern Avenue  
Nashville, NC 27856

#### **BASIS OF PRESENTATION - MEASUREMENT FOCUS, BASIS OF ACCOUNTING**

##### **Basis of Presentation**

Government-Wide Statements – The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category, governmental, proprietary, and fiduciary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

**Major Funds** – The General Fund, the Solid Waste Fund, the Water and Sewer Fund, and the Central Nash Water and Sewer District are major funds of the County. The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The Water and Sewer Fund is used to account for the County's water and sewer operations. The Solid Waste Fund is used to account for the County's solid waste disposal operations and convenience center operations. The Central Nash Water and Sewer District Fund (Blended Component Unit) is used to account for the water and sewer operations in the Central Nash Water and Sewer District.

The County has the following fund categories:

**Governmental Funds** – Governmental funds account for the County's general governmental activities. Governmental funds include the following fund types:

*General Fund* – The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund. Additionally, the County has legally adopted an Economic Development Fund. Under GASB 54 guidance, the Economic Development Fund is consolidated in the General Fund. The budgetary comparisons for the Revaluation Fund and the Economic Development Fund have been included in the supplemental information.

*Special Revenue Funds* – The County has eight special revenue funds: Rural Operating Assistance Program Fund, Fire Districts Fund, Emergency Telephone System Fund, Controlled Substance Fund, Federal Asset Forfeiture Fund, Stormwater Maintenance Fund, Tourism Fund, and Grant Projects Fund.

*Capital Project Funds* – The County has six capital project funds: Nash Community College Bond Fund Project, Middlesex Industrial Park Fund, Senior Center/Park Capital Reserve Fund, Capital Reserve Fund, Nashville EMS Station Capital Project Fund, and Courts/Sheriff Addition Capital Project Fund.

**Proprietary Funds** – include the following fund type:

*Water and Sewer Fund* – This fund is used to account for the County's water and sewer operations.

*Solid Waste Fund* – This fund is used to account for the County's solid waste disposal operations and convenience center operations.

*Central Nash Water and Sewer District Fund (blended component unit)* – The District is used to account for the water and sewer operations in the Central Nash Water and Sewer District. The District operates the water distribution system with booster pump stations and elevated storage tanks, sewage pumping stations, and collection systems.



## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Internal Service Funds** – The Employee Healthcare Benefits and the Workers' Compensation Fund are used to account for cost of the County's healthcare and workers' compensation.

**Fiduciary Funds** – include the following fund type:

*Agency Funds* – Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The County has five agency funds: the Social Services Trust Fund, which is used to account for monies deposited with the County's Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Tax Collections Held for Municipalities Fund, which is used to account for tax monies collected for the benefit of municipalities located in the County; the Fines and Forfeitures Fund, which is used to account for monies collected by the Clerk of Court for the benefit of the Nash/Rocky Mount School System Fund; the Jail Inmate Fund, which is used to account for monies held for inmates; and the Rental Vehicle Taxes Fund, which accounts for vehicle rental taxes collected.

#### **Measurement Focus, Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

*Government-Wide, Proprietary, and Fiduciary Fund Financial Statements* – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then general revenues.

#### **BUDGETARY DATA**

Budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted at the departmental level for the General Fund, special revenue funds (excluding grant projects), and enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the special revenue grant funds, capital project funds, and the enterprise capital project funds, which are consolidated with the operating funds for reporting purposes.

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level. The balances in the capital reserve funds will be appropriated when transferred to their respective capital project funds. The County Manager is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to \$5,000; however, any revisions in excess of \$5,000 or that alter total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

#### **ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY**

**Deposits and Investments** – All deposits of the County are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The majority of the County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Cash Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

**Cash and Cash Equivalents** – The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Restricted Assets** – The unexpended General Obligation bonds are restricted in the governmental activities because their use is completely restricted to the purpose for which the bonds and installment purchase notes were issued. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. The Reserve Contribution for Middlesex Elementary School is a required annual reserve contribution equivalent to 1/10<sup>th</sup> of the annual installment for a period of ten years and accumulation equivalent to one annual installment. Customer deposits held by the County in the Utilities Fund before any services are supplied are restricted to the service for which the deposit was collected. In the Central Nash Water and Sewer District the 2017 debt service payment on the USDA loan is restricted for future payment.

#### **Governmental Activities:**

##### General Fund:

Tax revaluation	\$ 255,200
Reserve Contribution – School Debt	143,465

##### Nash Community College Bond Fund Project:

Unexpended debt proceeds	31,746
Total governmental activities	<u>430,411</u>

#### **Business-Type Activities:**

##### Utilities Fund:

Customer deposits	94,650
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##### Central Nash Water and Sewer District:

Debt service reserve	188,000
Total business-type activities	<u>282,650</u>

Total restricted cash	<u>\$ 713,061</u>
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**Ad Valorem Taxes Receivable** – In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2015. As allowed by State law, the County has repealed the schedule of discounts that apply to taxes effective July 1, 2015. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**Allowance for Doubtful Accounts** – All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Capital Assets** – Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$5,000 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Nash Community College and Nash Rocky Mount schools properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and Nash Community College give those entities, the County, and Nash Rocky Mount schools full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the respective entities, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of Nash Community College and Nash Rocky Mount schools, respectively.

Interest incurred during the construction phase of capital assets of enterprise funds is included as a part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. The County capitalized \$142,572 of interest during construction for the Central Nash Water and Sewer District at June 30, 2016.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives of the individual assets:

<u>Description</u>	<u>Estimated Useful Lives</u>	
	<u>Primary Government</u>	<u>Component Units</u>
Land improvements	20 Years	5 - 40 Years
Buildings	40 Years	20 - 40 Years
Furniture and equipment	3 - 20 Years	2 - 20 Years
Infrastructure	40 Years	
Vehicles	3 Years	

**Deferred Outflows/Inflows of Resources** – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has three items that meet this criterion – charge on debt refunding, pension related deferrals, and contributions made to the pension plan in the current fiscal year.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category – taxes receivable, prepaid taxes, and pension related deferrals.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Long-Term Obligations** – In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statements of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on the debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences** – The vacation policies of the County provide for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2016 are recorded in the governmental activities of the government-wide financial statements. For the County's proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first in, first out method of using accumulated compensated time. The portion of that time estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

#### NET POSITION/FUND BALANCES

**Net Position** – Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute.

**Fund Balances** – In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Non-Spendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Prepaid Assets* – portion of fund balance that is not an available resource because it represents certain payments to vendors applicable to future accounting periods and is, therefore, not a spendable resource.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Restricted Fund Balance** – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

*Restricted for Stabilization of State Statute* – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

*Restricted for Human Services* – portion of fund balance that is restricted by unspent grant proceeds for human services health programs.

*Restricted for Education* – portion of fund balance that is restricted by debt proceeds for the Community College renovation and expansion project.

*Restricted for Public Safety* – portion of fund balance that is restricted by revenue source for local law enforcement agencies to pay and account for purchases under the guidelines set forth by state and federal agencies and for establishing and maintaining electronic capacity to determine the location of an emergency when citizens call 911 which will allow emergency services to more quickly and accurately respond.

*Restricted for Economic and Physical Development* – portion of fund balance that is restricted by revenue source for economic development through travel and tourism.

Restricted fund balance at June 30, 2016 is as follows:

<b>Function</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
<b>Restricted, all other:</b>		
Human services	\$ 1,952,830	\$ -
Education	-	31,746
Public safety	-	788,166
Economic and physical development	-	233,312
<b>Total</b>	<b><u>\$ 1,952,830</u></b>	<b><u>\$ 1,053,224</u></b>

Restricted net position of Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent debt proceeds of \$31,746 as of June 30, 2016.

**Committed Fund Balance** – portion of fund balance that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Any changes or removal of specific purposes requires majority action by the governing body, adoption of another ordinance, to revise the limitation.

*Committed for Tax Revaluation* – portion of fund balance committed by the Board for the cost of the revaluation process for taxable property.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Committed for Capital Outlays* – represents the portion of fund balance committed by the Board of Commissioners for a Courthouse Expansion Project, EMS Station, Senior Center and Park Project, and future capital improvement projects.

*Committed for Economic Development* – represents the portion of fund balance committed by the Board of Commissioners to assist with economic development for a shell building project and corporate park projects.

Committed fund balance at June 30, 2016 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other</u>
		<u>Governmental Funds</u>
Tax revaluation	\$ 229,267	\$ -
Economic development	-	688,130
Capital outlays	-	4,872,930
Total	<u>\$ 229,267</u>	<u>\$ 5,561,060</u>

**Assigned Fund Balance** – portion of fund balance that Nash County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager and Finance Officer, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

*Subsequent Year's Expenditures* — portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to transfer appropriations within the same functional areas of the same fund without limitation and without a report to the Board of Commissioners; the manager is also authorized by the budget ordinance to transfer amounts up to \$5,000 between functional areas of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners.

*Assigned for Public Safety* – portion of fund balance that has been budgeted by the Board of Commissioners for local law enforcement to pay for purchases related to funding sources.

*Assigned for Transportation* – portion of fund balance that has been budgeted by the Board of Commissioners for rural operating assistance program.



# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Assigned for Economic Development* – portion of fund balance that has been budgeted by the Board of Commissioners for future economic development purposes.

Assigned fund balance at June 30, 2016 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Subsequent year's expenditures	\$ 3,099,970	\$ -
Public safety	-	110,394
Economic development	1,048,241	19,333
Transportation	-	25,416
Total	<u>\$ 4,148,211</u>	<u>\$ 155,143</u>

**Unassigned Fund Balance** – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance.

Nash County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, Federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business in such a manner that available fund balance is at least equal to or greater than 15% of General Fund expenditures. In the event of an emergency of approved one-time use of fund balance in which the reserve falls below the recommended percentage of 15%, the county will adopt a plan to replenish the reserve to the policy standard within 36 months.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 40,116,299
<b>Less:</b>	
Prepaid assets	24,145
Stabilization by State statute	<u>6,432,866</u>
Total available fund balance	<u>\$ 33,659,288</u>

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>
Encumbrances	\$ 503,670	\$ 3,896

### Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

### Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund to the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds

A legally budgeted Tax Revaluation Fund and Economic Development Fund are consolidated into the General Fund for reporting purposes on the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds (Exhibit D). Fund balance for the General Fund is reconciled as follows:

Fund balance, ending - General Fund (Exhibit F)    \$ 38,838,791

#### Tax Revaluation Fund:

Investment earnings	467
General government	(308,790)
Transfer in - General Fund	115,000
Fund balance, beginning	422,590

#### Economic Development Fund:

Transfer out - Utilities Fund	(2,004,743)
Fund balance, beginning	<u>3,052,984</u>

Fund balance, ending - General Fund (Exhibit D)    \$ 40,116,299

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

#### **ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

#### **Note 2 – Deposits and Investments**

**Deposits** – All of the County's deposits are either insured or collateralized by using one of two methods. Under the "Dedicated Method", all deposits over the federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under the "Pooling Method", all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing-deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository using the Pooling Method. The County does not have policies regarding custodial credit risk for deposits. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2016, the County's deposits had a carrying amount of \$8,199,957 and a bank balance of \$8,225,726. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$7,975,726 was covered by collateral held under the Pooling Method. At June 30, 2016, Nash County had \$3,095 cash on hand.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Investments** – At June 30, 2016, the County had the following investments and maturities:

	<b>Valuation Measurement Method</b>	<b>Fair Value</b>	<b>Less Than 6 Months</b>	<b>6-12 Months</b>	<b>Greater Than One Year</b>	<b>% Concentration</b>
<b>U.S. Government Agencies:</b>						
Federal Home Loan	Fair Value-Level 1	\$ 3,000,822	\$ 1,000,700	\$ -	\$ 2,000,122	7%
<b>Commercial Paper:</b>						
DCAT LLC	Fair Value-Level 2	1,999,812	1,999,812	-	-	4%
Coca Cola Co	Fair Value-Level 2	1,996,532	1,996,532	-	-	4%
JP Morgan	Fair Value-Level 2	1,998,467	1,998,467	-	-	4%
Cred Suis NY	Fair Value-Level 2	4,988,373	4,988,373	-	-	11%
<b>PNC - Cash Portfolio</b>	Amortized Cost	9,018,026	n/a	n/a	n/a	20%
<b>Southern Bank and Trust - Cash Portfolio</b>	Amortized Cost	200,785	n/a	n/a	n/a	0%
<b>NCCMT - Cash Portfolio</b>	Amortized Cost	20,785,423	n/a	n/a	n/a	46%
<b>NCCMT - Term Portfolio*</b>	Fair Value-Level 1	<u>1,151,113</u>	<u>1,151,113</u>	<u>n/a</u>	<u>n/a</u>	<u>3%</u>
Total		<u>\$ 45,139,353</u>	<u>\$13,134,997</u>	<u>\$ -</u>	<u>\$ 2,000,122</u>	<u>100%</u>

\*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than six months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**Interest Rate Risk** – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy limits its exposure to fair value losses from rising interest rates by limiting its investment portfolio to no less than 20% maintained in liquid investments at any point in time.

**Credit Risk** – State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County policy allows investments in North Carolina Capital Management Trust, US Treasury Securities, US Agency Securities specifically authorized in NCGS 159 and rated no lower than AAA, and commercial paper meeting the requirements of NCGS 159. As of June 30, 2016, the County's investments in commercial paper were rated PI by Standard and Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

carried a credit rating of AAAM by Standard and Poor's as of June 30, 2016. The County's investments in the NC Capital Management Trust Term Portfolio are unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

**Concentration of Credit Risk** – The County limits amounts invested in US Treasury or Agencies to no more than 20% of total investments and commercial paper to no more than 10% per investment. A minimum of 20% of available investments must be liquid. At June 30, 2016, investments in U.S. government agencies and commercial paper representing greater than 5% of the County's total investments were: Federal Home Loan and Cred Suis NY. Combined US government agencies and commercial paper represented 31% of the County's total investments; PNC, NCCMT and Southern Bank and Trust cash portfolios represented 66%, and NCCMT term portfolio represented the remaining 3%.

#### **Note 3 - Property Tax Use - Value Assessment on Certain Lands**

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed at present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years along with accrued interest from the original due date. This tax is immediately due and payable. Shown below are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year of Levy</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,539,388	\$ 831,650	\$ 3,371,038
2014	2,548,151	605,186	3,153,337
2015	2,538,453	374,422	2,912,875
2016	<u>2,549,067</u>	<u>-</u>	<u>2,549,067</u>
Total	<u>\$ 10,175,059</u>	<u>\$ 1,811,258</u>	<u>\$ 11,986,317</u>

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Note 4 - Receivables

At June 30, 2016, the County's government-wide receivable balances were as follows:

	Government-Wide Financial Statements		
	Governmental Activities	Business-Type Activities	Total
<b>Receivables:</b>			
Taxes	\$ 4,170,030	\$ -	\$ 4,170,030
Accounts	562,382	351,105	913,487
Due from other governments	5,448,203	48,189	5,496,392
Gross receivables	10,180,615	399,294	10,579,909
Less: Allowance for uncollectibles	(1,664,540)	(83,736)	(1,748,276)
Net total receivables	<u>\$ 8,516,075</u>	<u>\$ 315,558</u>	<u>\$ 8,831,633</u>

The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$ 2,915,698	\$ -
Sales tax refund	319,974	-
Other reimbursements (refunds, grants, DSS, Health)	2,212,531	-
White goods disposal and scrap tire tax	-	48,189
Total	<u>\$ 5,448,203</u>	<u>\$ 48,189</u>

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Note 5 – Capital Assets

Capital asset activity for the governmental activities for the year ended June 30, 2016 was as follows:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2016</u>
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 10,178,934	\$ -	\$ -	\$ -	\$ 10,178,934
Construction in progress	<u>6,717</u>	<u>318,927</u>	<u>-</u>	<u>-</u>	<u>325,644</u>
Total capital assets not being depreciated	<u>10,185,651</u>	<u>318,927</u>	<u>-</u>	<u>-</u>	<u>10,504,578</u>
Capital assets being depreciated:					
Land improvements	347,752	-	-	-	347,752
Infrastructure	566,636	-	-	-	566,636
Buildings	53,358,929	287,560	-	-	53,646,489
Vehicles	5,566,796	431,155	(171,083)	21,608	5,848,476
Equipment	<u>13,327,293</u>	<u>1,199,039</u>	<u>-</u>	<u>-</u>	<u>14,526,332</u>
Total capital assets being depreciated	<u>73,167,406</u>	<u>1,917,754</u>	<u>(171,083)</u>	<u>21,608</u>	<u>74,935,685</u>
Less accumulated depreciation for:					
Land improvements	110,080	17,387	-	-	127,467
Infrastructure	172,325	14,166	-	-	186,491
Buildings	20,903,766	1,190,766	-	-	22,094,532
Vehicles	4,441,603	712,363	(171,083)	21,608	5,004,491
Equipment	<u>10,868,527</u>	<u>712,043</u>	<u>-</u>	<u>-</u>	<u>11,580,570</u>
Total accumulated depreciation	<u>36,496,301</u>	<u>\$ 2,646,725</u>	<u>\$ (171,083)</u>	<u>\$ 21,608</u>	<u>38,993,551</u>
Total capital assets being depreciated, net	<u>36,671,105</u>				<u>35,942,134</u>
Governmental activity capital assets, net	<u>\$ 46,856,756</u>				<u>\$ 46,446,712</u>

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Depreciation was charged to functions/programs of the primary government as follows:

General government	\$1,295,816
Public safety	1,106,172
Cultural (parks and recreation)	6,731
Economic and physical development	124,383
Human services	47,300
Education	<u>66,323</u>
Total depreciation expense	<u>\$ 2,646,725</u>

Capital asset activity for business-type activities for the year ended June 30, 2016 was as follows:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2016</u>
<b>Business-Type Activities:</b>					
<b>Water and Sewer Fund:</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 128,363	\$ 2,294,164	\$ -	\$ -	\$ 2,422,527
Capital assets being depreciated:					
Infrastructure	15,849,032	-	-	-	15,849,032
Furniture, fixtures, and equipment	45,577	-	-	-	45,577
Vehicles	<u>153,046</u>	<u>-</u>	<u>-</u>	<u>(21,608)</u>	<u>131,438</u>
Total capital assets being depreciated	<u>16,047,655</u>	<u>-</u>	<u>-</u>	<u>(21,608)</u>	<u>16,026,047</u>
Less accumulated depreciation for:					
Infrastructure	3,349,484	325,401	-	-	3,674,885
Furniture, fixtures, and equipment	38,520	2,574	-	-	41,094
Vehicles	<u>115,587</u>	<u>3,473</u>	<u>-</u>	<u>(21,608)</u>	<u>97,452</u>
Total accumulated depreciation	<u>3,503,591</u>	<u>\$ 331,448</u>	<u>\$ -</u>	<u>\$ (21,608)</u>	<u>3,813,431</u>
Total capital assets being depreciated, net	<u>12,544,064</u>				<u>12,212,616</u>
Water and Sewer activity capital assets, net	<u>12,672,427</u>				<u>14,635,143</u>



# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
<b>Solid Waste Fund:</b>				
Capital assets not being depreciated:				
Land	238,000	\$ -	\$ -	238,000
Capital assets being depreciated:				
Land improvements	1,439,542	-	-	1,439,542
Buildings and building improvements	34,375	-	-	34,375
Furniture, fixtures, and equipment	1,835,870	21,250	-	1,857,120
Vehicles	30,741	-	(4,200)	26,541
Total capital assets being depreciated	<u>3,340,528</u>	<u>21,250</u>	<u>(4,200)</u>	<u>3,357,578</u>
Less accumulated depreciation for:				
Land improvements	1,076,798	68,242	-	1,145,040
Buildings and building improvements	21,986	332	-	22,318
Furniture, fixtures, and equipment	1,663,776	63,497	-	1,727,273
Vehicles	27,137	-	(596)	26,541
Total accumulated depreciation	<u>2,789,697</u>	<u>\$ 132,071</u>	<u>\$ (596)</u>	<u>2,921,172</u>
Total capital assets being depreciated, net	<u>550,831</u>			<u>436,406</u>
Solid Waste Disposal activity capital assets, net	<u>788,831</u>			<u>674,406</u>
<b>Convenience Centers Activity:</b>				
Capital assets not being depreciated:				
Land	<u>70,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>70,185</u>
Capital assets being depreciated:				
Land improvements	293,241	-	-	293,241
Buildings and building improvements	94,379	-	-	94,379
Furniture, fixtures, and equipment	<u>108,667</u>	<u>-</u>	<u>-</u>	<u>108,667</u>
Total capital assets being depreciated	<u>496,287</u>	<u>-</u>	<u>-</u>	<u>496,287</u>
Less accumulated depreciation for:				
Land improvements	288,035	712	-	288,747
Buildings and building improvements	87,876	1,445	-	89,321
Furniture, fixtures, and equipment	<u>108,667</u>	<u>223</u>	<u>-</u>	<u>108,890</u>
Total accumulated depreciation	<u>484,578</u>	<u>\$ 2,380</u>	<u>\$ -</u>	<u>486,958</u>
Total capital assets being depreciated, net	<u>11,709</u>			<u>9,329</u>
Convenience Center activity capital assets, net	<u>81,894</u>			<u>79,514</u>
Total Solid Waste Fund capital assets, net	<u>\$ 870,725</u>			<u>\$ 753,920</u>

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
<b>Central Nash Water and Sewer District:</b>				
Capital assets not being depreciated:				
Construction in progress	18,218,985	\$ 188,020	\$ -	18,407,005
Total capital assets not being depreciated	18,218,985	<u>\$ 188,020</u>	<u>\$ -</u>	<u>18,407,005</u>
Central Nash Water and Sewer District	<u>18,218,985</u>			<u>18,407,005</u>
Business-type activities capital assets, net	<u>\$ 31,762,137</u>			<u>\$ 33,796,068</u>

### Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2016 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	<u>\$ 46,446,712</u>	<u>\$ 33,796,068</u>
Total debt, gross	44,796,132	13,871,000
Less:		
Other non-capital related debt	346,153	-
Capital related unspent debt proceeds	<u>31,746</u>	<u>-</u>
Total capital debt	<u>44,418,233</u>	<u>13,871,000</u>
Net investment in capital assets	<u>\$ 2,028,479</u>	<u>\$ 19,925,068</u>

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Note 6 – Accounts Payable and Accrued Liabilities

Accounts payable and other accrued liabilities are disaggregated at June 30, 2016 as follows:

##### Government-Wide Financial Statements

###### **Governmental Activities:**

Vendors	\$ 2,769,499
Other governmental agencies	401,804
Total governmental activities	<u>\$ 3,171,303</u>

###### **Business-Type Activities:**

Vendors	\$ 815,120
Customer deposits	94,650
Total business-type activities	<u>\$ 909,770</u>

#### Note 7 – Pension Plan Obligations

##### **Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,862,572 for the year ended June 30, 2016.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the County reported a liability of \$2,039,095 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the County's proportion was .4544%, which was a decrease of .0085% from its proportion measured as of June 30, 2014.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

For the year ended June 30, 2016, the County recognized pension expense of \$1,117,216. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 479,304
Net difference between projected and actual earnings on pension plan investments	-	580,524
Changes in proportion and differences between County contributions and proportionate share of contributions	47,927	28,828
County contributions subsequent to the measurement date	<u>1,862,572</u>	<u>-</u>
Total	<u><u>\$ 1,910,499</u></u>	<u><u>\$ 1,088,656</u></u>

\$1,862,572 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2017	\$ (667,929)
2018	(667,929)
2019	(667,356)
2020	962,485
2021	-
Thereafter	<u>-</u>
Total	<u><u>\$ (1,040,729)</u></u>

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100.0%	

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ 14,218,901</u>	<u>\$ 2,039,095</u>	<u>\$ (8,222,120)</u>

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

#### **Law Enforcement Officers' Special Separation Allowance**

*Plan Description* – Nash County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to, but not yet, receiving benefits	-
Active plan members	<u>81</u>
Total	<u><u>84</u></u>

#### *Summary of Significant Accounting Policies:*

*Basis of Accounting* – The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria, which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, non-employer contributing entities, the plan administrator, and plan members.

*Method Used to Value Investments* – No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Contributions* – The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases range from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was 16 years.



## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Annual Pension Cost and Net Pension Obligation* – The County’s annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 167,554
Interest on net pension obligation	42,992
Adjustment to annual required contribution	<u>(75,560)</u>
Annual pension cost	134,986
Benefit payments made	<u>28,892</u>
Increase (decrease) in net pension obligation	106,094
Net pension obligation, beginning of year - July 1	<u>859,842</u>
Net pension obligation, end of year - June 30	<u><u>\$ 965,936</u></u>

<b>Year Ended</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b>June 30</b>	<b>Pension</b>	<b>of APC</b>	<b>Pension</b>
	<b>Cost (APC)</b>	<b>Contribution</b>	<b>Obligation</b>
2014	\$ 98,031	36.63%	\$ 757,368
2015	122,179	16.13%	859,842
2016	134,986	21.40%	965,936

*Funded Status and Funding Progress* – As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,939,698. The covered payroll (annual payroll of active employees covered by the plan) was \$4,064,900, and the ratio of the UAAL to the covered payroll was 47.72 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

A separate report was not issued for the plan.

#### **Supplemental Retirement Income Plan for Law Enforcement Officers**

*Plan Description* – Nash County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Funding Policy* – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County's contributions for the year ended June 30, 2016 were \$247,732, which consisted of \$199,960 from the County; \$42,752 and \$5,020 (Roth) from the law enforcement officers for Supplemental Law Funding (401K).

#### **Deferred Compensation Plan 401(k)**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). The plan is sponsored by the State of North Carolina and is governed by the Department of State Treasurer and the plan's Board of Trustees. The Department and Board have contracted with Branch Banking and Trust Company to be the plan administrator.

The plan is available to all County employees except for law enforcement officers and the Register of Deeds, who are covered by other supplemental retirement plans. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or financial hardships. The County contributes up to 5.0% of qualified salary and all amounts contributed are vested immediately. The employees also may make voluntary contributions to the plan.

The County's contributions were calculated using a covered payroll amount of \$23,296,829. Total contributions for the year ended June 30, 2016 were \$1,629,032, which consisted of \$1,164,843 from the County; \$372,970 from the employees; and \$91,219 (Roth). The County's required contributions and the employees' voluntary contributions represented 5% and 2% of the covered payroll amount, respectively.

#### **Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* Nash County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$6,799 for the year ended June 30, 2016.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the County reported an asset of \$193,505 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2015, the County's proportion was .8350%, which was a decrease of .0061% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$(2,677). At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 948	\$ 3,203
Net difference between projected and actual earnings on pension plan investments	9,597	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,237	-
County contributions subsequent to the measurement date	6,799	-
Total	<u>\$ 19,581</u>	<u>\$ 3,203</u>

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

\$6,799 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2017	\$ 3,175
2018	1,683
2019	2,130
2020	2,591
2021	-
Thereafter	-
Total	<u>\$ 9,579</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.2%.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	<b>1% Decrease (4.75%)</b>	<b>Discount Rate (5.75%)</b>	<b>1% Increase (6.75%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ (174,584)</u>	<u>\$ (193,505)</u>	<u>\$ (209,788)</u>

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

#### **Other Employment Benefits - Nash County**

*Death Benefits* – The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan, and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separates rates are set for employees not engaged in law enforcement and law enforcement officers. The County considers these contributions to be immaterial.

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

#### **Other Post-Employment Benefits - Nash County**

##### **Healthcare Benefits**

*Plan Description* – According to a County resolution, the County administers a single employer defined benefit plan to provide healthcare benefits and a Medicare Supplement Policy at age 65 to certain retirees of the County. This post employment health benefit is effective for retirees on or after January 1, 2001 and for employees hired before July 1, 2007, provided that they retire (including disability retirement) with unreduced benefits from the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of continuous credible service with Nash County the retiree will receive premium coverage at the same rate as active employees coverage, retirees with 19 to 15 years credible service will receive 75% of the premium coverage from Nash County and retirees with 14 to 10 years of credible service will receive 50% of the premium costs from Nash County. The benefit applies only to the retired employee, not dependents. Retired employees may continue dependent coverage at the same level as prior to retirement at their personal expense; but not the supplement.

Effective for employees hired on or after July 1, 2007 and before July 1, 2012, the County will provide postemployment healthcare benefits to retirees to age 65 provided that they retire (including disability retirement) with unreduced benefits from the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of continuous credible service to Nash County. There is no supplement offered at age 65 to either the retiree or dependent. Retired employees may continue dependent coverage at the same level as prior to retirement at their personal expense. Employees hired on or after July 1, 2012 are not eligible to participate in the plan. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. The County maintains health care coverage through a combination of self-insurance and private insurers.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Currently, 57 retirees are eligible for post-retirement health benefits up to age 65 (and 84 employees are eligible for the supplemental retirement at age 65 and above). For the fiscal year ended June 30, 2016, the County made payments for post-retirement health benefit premiums of \$405,979 for retired employees up to age 65 (and \$255,607 for the supplemental retirement at age 65 and above). The County obtains healthcare coverage through private insurers. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

<b>Retired Employee's Continuous Years of Creditable Service</b>	<b>Pre-July 1, 2007</b>	<b>On or after July 1, 2007 and before July 1, 2012</b>	<b>On or after July 1, 2012</b>
<b>Less than 10 years</b>	Not eligible for coverage	Not eligible for coverage	Not eligible for coverage
<b>10-14 years</b>	50% of health care benefits and 50% Medicare Supplement at age 65 (if selected at retirement)	Not eligible for coverage	Not eligible for coverage
<b>15-19 years</b>	75% of health care benefits and 75% Medicare Supplement at age 65 (if selected at retirement)	Not eligible for coverage	Not eligible for coverage
<b>20+ years</b>	Full coverage of health care benefits and Medicare Supplement at age 65 (if selected at retirement)	Full coverage of health care benefits paid for by the County	Not eligible for coverage

Membership of the Plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	122	8
Active plan members	419	67
Total	541	75

*Funding Policy* – The County’s members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The current ARC rate is 12.50% of annual covered payroll. For the current year, the County contributed \$706,469 or 3.16% of annual covered payroll. The County purchases insurance from a private carrier for healthcare coverage. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 2.78% and 0.38% of covered payroll, respectively. In 2016, employee contributions totaled \$131,761, which includes \$23,750 for dependent coverage. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

*Summary of Significant Accounting Policies* – Post-employment expenditures are made from the Employee Insurance Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net Obligation* – The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 3,147,290
Interest on net OPEB obligation	544,145
Adjustments to annual required contribution	<u>756,442</u>
Annual OPEB cost (expense)	2,934,993
Contributions made	<u>706,469</u>
Increase (decrease) in net OPEB obligation	2,228,524
Net OPEB obligation, beginning of year - July 1	<u>13,603,633</u>
Net OPEB obligation, end of year - June 30	<u><u>\$ 15,832,157</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2016	\$ 2,934,993	24.07%	\$ 15,832,157
2015	2,603,030	42.52%	13,603,633
2014	2,568,809	20.65%	12,107,309



## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Fund Status and Funding Progress* – As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$34,248,851. The covered payroll (annual payroll of active employees covered by the plan) was \$22,329,735 and the ratio of the UAAL to the covered payroll was 153.4 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the accrued liabilities for benefits.

*Actuarial Methods and Assumptions* – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual medical cost trend increase of 7.50 to 5.00 percent annually. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

As of June 30, 2016, management had not decided on the funding options for this outstanding obligation; therefore, OPEB will continue to be funded on a pay-as-you-go basis going into the next fiscal year. Management will continue their efforts to find a way to fund the annual required contribution while maintaining the level of service as prioritized by the County Commissioners.

#### **Note 8 – Closure and Post-Closure Costs**

Federal and State laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The \$799,500 reported as landfill closure and post-closure care liability at June 30, 2016 represents a cumulative amount reported to date, based on the use of 100% of the total estimated capacity of the landfill. The County closed the facility on December 31, 1998. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The County currently operates a Construction and Demolition landfill which is anticipated to close in 2018. C & D closure liability is \$2,536,816 at June 30, 2016 based on the use of 87% of total estimated capacity. The County currently reports a combined liability of \$3,336,316 and will recognize the remaining estimated cost of closure and post closure care as the remaining estimated capacity is filled.

The County has met the requirements of a local government financial test that is one option under Federal and State laws and regulations that help determine if an entity is financially able to meet closure and post-closure care requirements.

#### Note 9 – Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Charge on refunding of debt	\$ 9,209
Pension deferrals	60,709
Contributions to pension plan in the current fiscal year	1,869,371
	<u>\$ 1,939,289</u>

Deferred inflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Differences between expected and actual experience	\$ 482,507
Net difference between projected and actual earnings on pension plan investments	580,524
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,828
Taxes receivable (General Fund)	2,505,490
Prepaid taxes (General Fund)	147,909
Total	<u>\$ 3,745,258</u>

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

#### **Note 10 - Long-Term Obligations**

##### **Capital Leases**

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of lease inception.

An agreement was executed on August 25, 2011 for the lease of laptops and requires five annual payments of \$52,201, beginning in 2012 and ended on August 31, 2015. Under the terms of the agreement, title passes to the County at the end of the lease term.

Three agreements were executed on September 1, 2011 for the lease of data centers and each requires five annual payments that total \$179,831, beginning in 2012 and ending in 2016. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on April 16, 2012 for the lease of laptops and requires three annual payments of \$28,307, beginning in 2013 and ended on August 31, 2015. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on July 31, 2012 for the lease of EMS ambulance remounts and requires four annual payments of \$120,000, beginning in 2012 and ending in 2016. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on January 10, 2014 for the lease of EMS ambulances and requires four annual payments of \$42,313, beginning in 2014 and ending in 2017. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on April 22, 2014 for the lease of a security system and requires three annual payments of \$68,014, beginning in 2014 and ending in 2016. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on July 21, 2014 for the lease of 3 EMS ambulance remounts and 2 QRV Expeditions and requires four annual payments of \$82,625, beginning in 2014 and ending in 2017. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on October 6, 2015 for the lease of defibrillators and requires five annual payments of \$127,063, beginning in 2015 and ending in 2019. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on June 1, 2016 for the lease of VOIP System and requires 59 monthly payments of \$7,246, beginning in 2016 and ending in 2021. Under the terms of the agreement, title passes to the County at the end of the lease term.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

At June 30, 2016, the County leased equipment and vehicles valued at:

<b>Classes of Property</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Equipment	\$ 2,260,308	\$ 1,306,636	\$ 953,672
Vehicles and motorized equipment	950,697	711,739	238,958
Total	<u>\$ 3,211,005</u>	<u>\$ 2,018,375</u>	<u>\$ 1,192,630</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2016 were as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2017	\$ 405,748
2018	296,644
2019	214,019
2020	214,019
2021	<u>65,216</u>
Total minimum lease payments	1,195,646
Less: amount representing interest	<u>77,944</u>
Present value of the minimum lease payments	<u>\$ 1,117,702</u>

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Installment Purchase Contracts** – Installment purchase contracts at June 30, 2016 are summarized below:

**Serviced by Governmental Activities:**

\$3,787,000 issued on December 18, 2014 for Certificate of Participation, due in annual installments of \$780,000, plus interest through December 2021. Refunding of COPS 2004 debt. COPS debt includes \$1,486,551 for Community College, \$1,346,516 for Schools, \$599,648 for Industrial Development, and \$354,285 for Courthouse renovations. \$ 3,007,000

\$7,342,300 issued on March 17, 2010 for Middlesex Elementary in interest only quarterly installments until final payment with principal payment of \$7,342,300 in September 2012, interest rate of 2.05% 6,900,305

\$576,923 issued on May 20, 2014 for economic development, due in annual installments of fixed principal \$115,385, without interest through April 2019 346,153

Total serviced by governmental activities \$ 10,253,458

**Refunding**

On December 18, 2014, the County issued \$3,787,000 of installment purchase refunding COPS bonds to be used for debt service payments of \$4,405,000 of COPS installments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$10,744. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 7 years and resulted in an economic gain of \$501,256.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Serviced by Business-Type Activities:

\$1,122,000 issued on December 31, 2006 for Bailey Water Project, due in semi-annual installments of fixed principal \$56,100, plus interest of 2.305% through May 2027 \$ 617,100

\$1,500,000 issued on October 19, 2006 for Bailey/BOR/Bentridge water line construction project, due in semi-annual installments of fixed principal \$75,000, plus interest of 4.35% through October 2026 787,500

\$2,616,000 issued on December 19, 2002 for Highway 58 Water Project, due in semi-annual installments of fixed principal \$87,200, plus interest of 4.29% through July 2017. Through an interlocal agreement, the Town of Nashville makes annual contributions of approximately 48% of the debt payment. 174,400

Total serviced by business-type activities \$ 1,579,000

Annual debt service requirements to maturity for the County's installment purchase contracts are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 1,026,148	\$ 278,864	\$ 305,500	\$ 53,276
2018	1,008,670	262,813	131,100	43,109
2019	987,385	246,924	131,100	38,554
2020	476,915	233,873	131,100	33,998
2021	474,037	223,527	131,100	29,442
2022-2026	1,230,782	993,193	655,500	78,878
2027-2031	1,193,368	803,002	93,600	2,109
2032-2036	1,417,346	579,024	-	-
2037-3041	1,683,363	313,007	-	-
2042-2043	755,445	39,832	-	-
Total	<u>\$ 10,253,458</u>	<u>\$ 3,974,059</u>	<u>\$ 1,579,000</u>	<u>\$ 279,366</u>

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Limited Obligation Bonds

The County issued \$28,355,000 Limited Obligation Bonds on March 25, 2010, which will be used to finance construction and renovation of school facilities, storage building, and EMS building. Principal and interest are due annually, in installments ranging from \$455,000 to \$1,660,000, beginning fiscal year 2012 through October 2030; interest due in semi-annual installments at rates ranging from 2.0% to 5.0%. Outstanding balance at June 30, 2016 is \$24,045,000.

Annual debt service requirements to maturity for the County's limited obligation bonds are as follows:

<b>Year Ending</b> <b>June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 1,405,000	\$ 1,090,456
2018	1,405,000	1,043,038
2019	1,405,000	985,025
2020	1,645,000	918,700
2021	1,645,000	845,675
2022-2026	8,240,000	3,062,875
2027-2031	8,300,000	1,037,500
Total	<u>\$ 24,045,000</u>	<u>\$ 8,983,269</u>

#### General Obligation Indebtedness

The County issued \$9,310,000 General Obligation Bonds on October 15, 2013, which will be used to finance construction of two buildings at Nash Community College. Principal and interest are due annually, in installments ranging from \$470,000 to \$465,000, beginning fiscal year 2015 through November 2033; interest due in semi-annual installments at rates ranging from 2.0% to 3.7%. Outstanding balance at June 30, 2016 is \$8,370,000.

Nash County's Water and Sewer District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Central Nash Water and Sewer District Fund, are collateralized by the full faith credit and taxing power of the District. Principal and interest payments are appropriated when due.

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The County's general obligation bonds payable at June 30, 2016, which are serviced by the business-type activities are comprised of the following individual issues:

### Serviced by Business-Type Activities:

\$5,239,000 of General Obligation Water Bonds issued on May 26, 2009,  
due on June 1 in annual installments ranging from \$60,000 to \$235,000  
through December 2048; interest of 3.625% to 4.5% \$ 4,849,000

\$2,804,000 of General Obligation Water Bonds issued on January 23, 2012,  
due on June 1 in annual installments ranging from \$42,000 to \$119,000  
through December 2051; interest of 3.0% 2,677,000

\$4,766,000 of General Obligation Water Bonds issued on June 23, 2014,  
due on June 1 in annual installments ranging from \$67,000 to \$209,000  
through December 2054; interest of 3.25% 4,766,000

Total serviced by business-type activities \$ 12,292,000

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 465,000	\$ 272,258	\$ 188,000	\$ 447,341
2018	465,000	260,633	193,000	440,495
2019	465,000	247,845	199,000	433,460
2020	465,000	233,895	207,000	426,196
2021	465,000	217,620	215,000	418,640
2022-2026	2,325,000	820,725	1,198,000	1,969,214
2027-2031	2,325,000	454,073	1,433,000	1,732,369
2032-2036	1,395,000	77,888	1,719,000	1,447,271
2037-3041	-	-	2,062,000	1,103,514
2042-2046	-	-	2,425,000	690,124
2047-2051	-	-	1,883,000	258,922
2052-2054	-	-	570,000	35,653
Total	<u>\$ 8,370,000</u>	<u>\$ 2,584,937</u>	<u>\$ 12,292,000</u>	<u>\$ 9,403,199</u>



# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following is a summary of changes in the County's long-term obligations as of June 30, 2016:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>	<u>Due in Less Than One Year</u>
<b>Governmental Activities:</b>					
Compensated absences	\$ 2,036,488	\$ 1,853,212	\$ (1,724,237)	\$ 2,165,463	\$ 108,273
OPEB liability	13,195,524	2,880,021	(686,688)	15,388,857	-
Net pension liability (LEO)	859,842	134,986	(28,892)	965,936	-
Net pension liability (LGERS)	-	1,982,001	-	1,982,001	-
Capital lease	871,832	995,887	(750,017)	1,117,702	372,924
Installment purchase contracts	11,907,271	-	(1,653,813)	10,253,458	1,026,148
Limited obligation bonds	25,010,000	-	(965,000)	24,045,000	1,405,000
General obligation bonds	8,840,000	-	(470,000)	8,370,000	465,000
Unamortized premium/discounts	1,077,122	10,744	(77,894)	1,009,972	-
Total governmental activities	<u>\$ 63,798,079</u>	<u>\$ 7,856,851</u>	<u>\$ (6,356,541)</u>	<u>\$ 65,298,389</u>	<u>\$ 3,377,345</u>
	<u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>	<u>Due in Less Than One Year</u>
<b>Business-Type Activities:</b>					
<b>Central Nash Water and Sewer District:</b>					
General Obligation Water Bonds	<u>\$ 12,406,000</u>	<u>\$ -</u>	<u>\$ (114,000)</u>	<u>\$ 12,292,000</u>	<u>\$ 188,000</u>
Total Central Nash Water and Sewer District	<u>12,406,000</u>	<u>-</u>	<u>(114,000)</u>	<u>12,292,000</u>	<u>188,000</u>
<b>Water and Sewer Fund:</b>					
Installment purchase contract	1,884,500	-	(305,500)	1,579,000	305,500
Net pension liability (LGERS)	-	26,508	-	26,508	-
OPEB liability	408,109	24,551	(226,842)	205,818	-
Compensated absences	<u>33,609</u>	<u>20,802</u>	<u>(20,083)</u>	<u>34,328</u>	<u>1,716</u>
Total Water and Sewer Fund	<u>2,326,218</u>	<u>71,861</u>	<u>(552,425)</u>	<u>1,845,654</u>	<u>307,216</u>
<b>Solid Waste Fund:</b>					
Net pension liability (LGERS)	-	30,586	-	30,586	-
OPEB liability	-	248,079	(10,597)	237,482	-
Compensated absences	-	7,207	(3,392)	3,815	191
Accrued landfill closure and post-closure costs	<u>3,397,816</u>	<u>-</u>	<u>(61,500)</u>	<u>3,336,316</u>	<u>100,000</u>
Total Solid Waste Fund	<u>3,397,816</u>	<u>285,872</u>	<u>(75,489)</u>	<u>3,608,199</u>	<u>100,191</u>
Total business-type activities	<u>\$ 18,130,034</u>	<u>\$ 357,733</u>	<u>\$ (741,914)</u>	<u>\$ 17,745,853</u>	<u>\$ 595,407</u>

# NASH COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Compensated absences typically have been liquidated in the General Fund and are accounted for on a FIFO basis. The unfunded Special Separation Allowance has been liquidated in the General Fund. OPEB has been liquidated in the Employee Insurance Fund.

State statutes provide for a legal debt margin of 8% of the County's appraised valuation. The County had a legal debt limitation of \$561,154,693 at June 30, 2016.

**Conduit Debt Obligation** – Nash County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision, thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2016, there were no outstanding balances.

### Note 11 – Interfund Balances and Activity

#### Due From/To Other Funds

Interfund balances are summarized below:

	Interfund Loans		Reason
	From	To	
General Fund	\$ 104,005	\$ -	Advance project costs
Nonmajor governmental funds	-	104,005	Advance project costs
Water and Sewer Fund	311,664	-	Advance project costs
Central Nash Water and Sewer District	-	311,664	Advance project costs
Total	<u>\$ 415,669</u>	<u>\$ 415,669</u>	

#### Transfers To/From Other Funds

Transfers in (out) for the year ended June 30, 2016 are summarized below:

	Transfers	
	From	To
General Fund	\$ 2,659,673	\$ -
Nonmajor governmental funds	-	1,154,930
Water and Sewer Fund	565,728	2,004,743
Solid Waste Fund	500,000	-
Central Nash Water and Sewer District	-	565,728
Total	<u>\$ 3,725,401</u>	<u>\$ 3,725,401</u>

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Transfers from the General Fund to nonmajor governmental funds and Water and Sewer Fund for capital project funding and debt service.

Transfer from a nonmajor governmental fund to Water and Sewer Fund for debt service and matching funds for county water and sewer projects.

Transfers from the Water and Sewer Fund to the Central Nash Water and Sewer District were made for debt service payments.

Transfer from Solid Waste Fund to Water and Sewer Fund to support Water and Sewer operations.

#### **Note 12 – Joint Ventures**

**Nash Community College** – The County, in conjunction with the State of North Carolina and the Rocky Mount Nash Board of Education, participates in a joint venture to operate the Nash Community College (Community College). Each of the three entities appoints four members of the twelve-member Board of Trustees of the Community College. The Community College is a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and for providing some financial support for the Community College's operation. The County has an ongoing financial responsibility for the college because of statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$2,000,000 to the Community College for operating purposes and \$250,000 for capital outlay \$149,943 for HVAC replacement, and \$100,000 for emergency capital needs during the year ended June 30, 2016. The participants in the joint venture do not have any equity interest in the Community College; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2016. Complete financial statements for the Community College may be obtained from the college's administrative offices at Old Carriage Road, Rocky Mount, North Carolina 27804.

**Eastpointe** – The County, in conjunction with eleven other counties is a member of Eastpointe Local Management Entity (LME) for mental health services. In addition to Nash, the following counties are served: Bladen, Columbus, Duplin, Edgecombe, Green, Lenoir, Robeson, Sampson, Scotland, Wayne and Wilson. Nash County Board of Commissioners appoint three of the twenty-seven members to the Eastpointe Board of Directors. The County contributed \$59,451 to the LME during the year ended June 30, 2016. Complete financial statements for the LME may be obtained from the Administrative Offices at 514 E. Main St., P.O. Box 896, Beaulaville, North Carolina, 28518.

**Rocky Mount/Wilson Airport Authority** – The County, in conjunction with the City of Rocky Mount, City of Wilson, Edgecombe County, and Wilson County, participates in a joint venture to operate the Rocky Mount/Wilson Airport Authority (Authority). Each of the entities appoints members of the seven-member Board of Commissioners of the Authority. The County appoints one of the seven Board members. The County has an ongoing financial responsibility for the Authority. The County contributed \$47,857 to the Authority's operating purposes and \$14,760 for AV Block Grant Match during the year ended June 30, 2016. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$954,575 has been reported in the governmental capital assets in the County's basic financial statements at June 30, 2016. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Drive, Elm County, North Carolina 27822.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Joint Cooperative Agreement-Down East Home Consortium** – The County, in conjunction with the City of Rocky Mount and Edgecombe County, participates in a joint venture to operate the Down East Home Consortium, (the “DEHC”). The agreement commenced on June 30, 1996; the members of the DEHC may choose to continue as a consortium or may notify HUD that it has dissolved. The participating governments mutually agree that Rocky Mount shall act as the lead entity. Each of the entities appoints one member of a three-member DEHC Home Coordinating committee. Each participating government shall receive a percentage of the home funds based on a proration of the population. Each participating government shall be responsible for providing matching funds required by federal regulations for any home funds allocated and accepted for use by that government. As of June 30, 2016, the County contribution was not required due to other funds leveraged by the consortium. Complete financial statements for the DEHC may be obtained from the DEHC's administrative offices at 331 S. Franklin Street, Rocky Mount, North Carolina 27802.

**Carolinas Gateway Partnership, Inc.** – The County, in conjunction with Edgecombe County, the Town of Tarboro, the Town of Nashville, and the City of Rocky Mount, participates in a joint venture to operate Carolinas Gateway Partnership, Inc. (Partnership). As of June 30, 2016, \$324,815 in pledges and contributions have been received from 130 donors from the private sector and \$700,836 in public funding. As of June 30, 2016, the County contributed \$311,350 to support the Partnership. Complete financial statements for the Partnership may be obtained from the Partnership's administrative offices at 427 Falls Road, Rocky Mount, North Carolina 27804.

**Braswell Memorial Library** – The County, in conjunction with the Library Association, the City of Rocky Mount and Edgecombe County, participates in a joint venture to operate the Braswell Memorial Library (Library). Each of the entities appoints members of the twelve-member Board of Trustees of the Library. The County appoints two of the twelve Board members. The County contributed \$850,739 to the Library's operating purposes and \$13,500 for branch library needs during the year ended June 30, 2016. In addition, the County has contributed \$165,367 of federal and State funds; primarily the State equalizing and block grants, to supplement the County's funding. Complete financial statements for the Library may be obtained from the Library's administrative offices at 727 N. Grace Street, Rocky Mount, North Carolina 27804.

#### **Note 13 – Contingencies**

**Risk Management** – The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the NCACC Risk Management Pools. Through these pools, the County obtains property insurance coverage equal to replacement cost values of owned property subject to a pool limit of \$150,000,000 for any one occurrence, with an annual aggregate of \$65 million for flood and earthquake.

The County purchases general, auto, and professional liability coverage up to \$2,000,000 each occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 each occurrence, and workers' compensation coverage up to statutory limits subject to a \$50,000 deductible and a \$140,000 annual aggregate. These pools are reinsured through a multi-state public entity captive for single occurrence liability losses in excess of \$500,000 per occurrence and an additional \$500,000 annual aggregate up to \$2,000,000 each occurrence, property losses in excess of \$100,000 each occurrence and an additional \$1,000,000 annual aggregate, and workers' compensation losses in excess of \$350,000 each loss and an additional \$300,000 annual aggregate.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The County maintains flood coverage at \$1,000,000 limit per occurrence with a \$1,000,000 annual aggregate for zones A and V. The County maintains flood coverage at \$5,000,000 limit per occurrence with a \$5,000,000 annual aggregate for zones A and V.

The County carries cyber liability coverage for the County covering up to \$1,000,000 in losses with a \$5,000 deductible.

The County carries commercial coverage for all other risks of loss except employee health and dental which the County has self-insured. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. The self-funded insurance is administered by a third-party agency. The County has purchased excess employee health insurance for individual claims in excess of \$100,000 for the year ended June 30, 2016. All funds of the County participate in the program and are charged on actuarial estimates of the amounts needed to pay current year claims. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR's).

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	<u>2016</u>	<u>2015</u>
Unpaid claims, beginning	\$ 793,125	\$ 790,279
Incurred claims	7,084,575	5,290,178
Claim payments	<u>(6,746,344)</u>	<u>(5,287,332)</u>
Unpaid claims, ending	<u>\$ 1,131,356</u>	<u>\$ 793,125</u>

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance, Sheriff, and Tax Collector are individually bonded for \$100,000 each, and the Register of Deeds is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

**Claims and Judgments** – At June 30, 2016, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

## NASH COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Environmental Matters** – During May 1993, the County discovered that property owned by the County, which was formerly leased to a service station, is contaminated as a result of leakage from underground fuel storage tanks. Consultants hired by the County have assessed the extent of the contamination and estimated the cleanup cost to total approximately \$200,000. By letter dated November 30, 1993, the County has been notified that the cost is eligible for reimbursement from the North Carolina Commercial Trust Fund. In order to retain eligibility, the County must continue to proceed with corrective action. The Trust Fund has a \$20,000 deductible, which the County believes has been met as of June 30, 2016. To date, \$65,912 has been submitted for reimbursement of which \$42,079 has been reimbursed. The State has frozen spending pending revision of regulations governing cleanup of contaminated soil.

#### Note 14 – Additional Social Welfare Expenditures

Certain amounts were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. This additional aid to County recipients does not appear in the basic financial statements because it does not represent revenues and expenditures of the County.

#### Note 15 – Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 89,704,177	\$ 48,862,525
WIC	396,852	-
NC Health Choice	1,901,212	92,937
Adoption Assistance - Direct Benefit Payments	269,458	69,182
Foster Care - Title IV-E - Direct Benefit Payments	483,783	69,182
CWS Adopt Subsidy and Vendor	-	166,512
SC/SA Domiciliary Care Payment	-	726,038
SFHF Maximization	-	57,509
State Foster Home	-	38,450
Foster Care at Risk Maximization	-	432
Total	<u>\$ 92,755,482</u>	<u>\$ 50,082,767</u>

## **NASH COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

#### **Note 16 – Summary Disclosure of Significant Contingencies**

##### **Federal and State Assisted Programs**

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

#### **Note 17 – Related-Party Transactions**

##### **Nash County Healthcare Systems**

During 1995, Nash County Healthcare Systems (Systems) renegotiated the existing operating lease agreement with Nash County for the use of the land and building originally purchased by the County (the “First Amendment”). Systems prepaid the lease amount of \$12 million in 1995. The renegotiated lease agreement, before extensions, was scheduled to expire in May 2000. During December 1997, Systems and the County extended the lease through May 2011 (the “Second Amendment”). Under the Second Amendment, additional consideration of \$300,000 per year was paid through 2001. During May 2001, Systems and the County extended the lease through May 2031 (the “Third Amendment”). Under the Third Amendment, Systems will pay the County additional consideration of 4.5 percent of Systems’ net income, as defined, from its immediately preceding fiscal year beginning with the lease year starting May 2002. In addition, the Third Amendment provided that additional consideration of \$300,000 would be paid to the County for the lease year ending April 2002. There were no payments made to the County in 2016 and 2015.

#### **Note 18 – Subsequent Events**

Damage in certain areas of the State of North Carolina resulting from Hurricane Matthew was of sufficient severity and magnitude to warrant a major disaster declaration by the President. Hurricane Matthew struck North Carolina and caused serious flooding in several counties including Nash County. While there has been damage to buildings and other assets, as of the date of this report, it is unknown as to the extent of that damage.

***REQUIRED SUPPLEMENTAL FINANCIAL DATA***



Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2016**

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) - Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/31/2010	\$ -	\$ 833,487	\$ 833,487	0.00%	\$ 3,439,533	24.23%
12/31/2011	-	843,536	843,536	0.00%	3,431,365	24.58%
12/31/2012	-	867,799	867,799	0.00%	3,536,565	24.54%
12/31/2013	-	947,775	947,775	0.00%	3,617,519	26.20%
12/31/2014	-	1,052,837	1,052,837	0.00%	3,688,779	28.54%
12/31/2015	-	1,939,698	1,939,698	0.00%	4,064,900	47.72%

**Notes to the Required Schedules:**

The information presented above was determined as part of the actuarial valuation at the dates indicated.  
 Additional information as of the latest valuation follows:

Valuation date	12/31/2015
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	15 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	3.57%
Projected salary increases *	3.5-7.35%
* Includes inflation at 3.00%	
Cost-of-living adjustments	N/A

## NASH COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2016**

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Covered Payroll ((b-a)/c)
12/31/2007	\$ -	\$ 23,491,661	\$ 23,491,661	0.00%	\$ 24,357,779	96.4%
12/31/2010	-	29,377,801	29,377,801	0.00%	26,374,745	111.4%
12/31/2012	-	29,202,377	29,202,377	0.00%	24,433,547	119.5%
12/31/2014	-	34,248,851	34,248,851	0.00%	22,329,735	153.4%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2010	\$ 2,149,966	\$ 281,907	13.11%
2011	2,476,515	339,715	13.72%
2012	2,476,515	401,720	16.22%
2013	2,550,810	482,200	18.90%
2014	2,550,810	530,464	20.80%
2015	2,791,976	1,106,706	39.64%
2016	3,147,290	706,469	22.45%

## Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount, open
Remaining amortization period	30 years
Amortization factor	17.9837
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Medical cost trend rate	7.50% - 5.00%
Year of Ultimate trend rate	2020

\* Includes inflation at 3.00%

**NASH COUNTY, NORTH CAROLINA****PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST THREE FISCAL YEARS \*****LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.4544%	0.4629%	0.4612%
County's proportion of the net pension liability (asset) (\$)	\$ 2,039,095	\$ (2,729,877)	\$ 5,559,231
County's covered-employee payroll	\$ 26,653,776	\$ 26,582,280	\$ 24,856,328
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.65%	( 10.27%)	22.37%
Plan fiduciary net position as a percentage of the total pension liability	98.09%	102.64%	94.35%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**NASH COUNTY, NORTH CAROLINA****CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST THREE FISCAL YEARS****LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually required contribution	\$ 1,862,572	\$ 1,896,931	\$ 1,886,865
Contributions in relation to the contractually required contribution	<u>1,862,572</u>	<u>1,896,931</u>	<u>1,886,865</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 27,356,637	\$ 26,653,776	\$ 26,582,280
Contributions as a percentage of covered-employee payroll	6.81%	7.12%	7.10%

**NASH COUNTY, NORTH CAROLINA****PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST THREE FISCAL YEARS \*****REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.8350%	0.8411%	0.8572%
County's proportion of the net pension liability (asset) (\$)	\$ (193,505)	\$ (190,650)	\$ (183,092)
County's covered-employee payroll	\$ 59,079	\$ 58,696	\$ 57,921
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-327.53%	-324.81%	-316.11%
Plan fiduciary net position as a percentage of the total pension liability	197.29%	193.88%	190.50%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**NASH COUNTY, NORTH CAROLINA****CONTRIBUTIONS****REQUIRED SUPPLEMENTARY INFORMATION****LAST THREE FISCAL YEARS****REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,799	\$ 6,682	\$ 6,867
Contributions in relation to the contractually required contribution	<u>6,799</u>	<u>6,682</u>	<u>6,867</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 60,621	\$ 59,079	\$ 58,696
Contributions as a percentage of covered-employee payroll	11.22%	11.31%	11.70%

## ***COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES***

- *General Fund*
- *Nonmajor Governmental Funds*
- *Nonmajor Special Revenue Funds*
- *Nonmajor Capital Project Funds*
- *Enterprise Funds*
- *Internal Service Funds*
- *Agency Funds*



Nash County, North Carolina  
Financial Statements and Schedules

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## ***GENERAL FUND***

*The County has legally adopted a Revaluation Fund and an Economic Development Fund. Under GASB Statement 54, the Revaluation Fund and the Economic Development Fund are consolidated in the General Fund.*

Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND CONSOLIDATED

## FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Revaluation Fund	Economic Development Fund	Eliminations	Total
<b>Revenues:</b>					
Ad valorem taxes	\$ 49,059,803	\$ -	\$ -	\$ -	\$ 49,059,803
Other taxes and licenses	13,777,257	-	-	-	13,777,257
Unrestricted intergovernmental	327,362	-	-	-	327,362
Restricted intergovernmental	19,738,190	-	-	-	19,738,190
Permits and fees	1,126,470	-	-	-	1,126,470
Sales and services	5,112,198	-	-	-	5,112,198
Investment earnings	152,962	467	-	-	153,429
Miscellaneous	928,590	-	-	-	928,590
Total revenues	<u>90,222,832</u>	<u>467</u>	<u>-</u>	<u>-</u>	<u>90,223,299</u>
<b>Expenditures:</b>					
Current:					
General government	8,550,516	308,790	-	-	8,859,306
Public safety	20,861,970	-	-	-	20,861,970
Transportation	156,022	-	-	-	156,022
Economic and physical development	2,049,813	-	-	-	2,049,813
Human services	25,528,622	-	-	-	25,528,622
Cultural and recreation	1,662,551	-	-	-	1,662,551
Education	24,639,556	-	-	-	24,639,556
Debt service:					
Principal	3,838,830	-	-	-	3,838,830
Interest	1,667,537	-	-	-	1,667,537
Total expenditures	<u>88,955,417</u>	<u>308,790</u>	<u>-</u>	<u>-</u>	<u>89,264,207</u>
Revenues over (under) expenditures	<u>1,267,415</u>	<u>(308,323)</u>	<u>-</u>	<u>-</u>	<u>959,092</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	115,000	-	(115,000)	-
Transfers out	(769,930)	-	(2,004,743)	115,000	(2,659,673)
Capital lease obligations issued	995,887	-	-	-	995,887
Total other financing sources (uses)	<u>225,957</u>	<u>115,000</u>	<u>(2,004,743)</u>	<u>-</u>	<u>(1,663,786)</u>
Net change in fund balances	1,493,372	(193,323)	(2,004,743)	-	(704,694)
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>37,345,419</u>	<u>422,590</u>	<u>3,052,984</u>	<u>-</u>	<u>40,820,993</u>
End of year - June 30	<u>\$ 38,838,791</u>	<u>\$ 229,267</u>	<u>\$ 1,048,241</u>	<u>\$ -</u>	<u>\$ 40,116,299</u>

# NASH COUNTY, NORTH CAROLINA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

#### FOR THE YEAR ENDED JUNE 30, 2016

#### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year, net of discounts	\$ 46,270,000	\$ 47,943,980		\$ 47,456,521
Prior year's taxes	700,000	838,995		1,075,718
Penalties and interest	330,000	276,828		369,750
Total	47,300,000	49,059,803	\$ 1,759,803	48,901,989
<b>Other Taxes and Licenses:</b>				
Local option sales taxes	12,260,000	13,429,467		12,641,148
Real estate transfer taxes	195,000	261,290		210,501
Rental vehicle tax	65,000	80,535		71,833
Privilege licenses	-	5,965		7,348
Total	12,520,000	13,777,257	1,257,257	12,930,830
<b>Unrestricted Intergovernmental Revenues:</b>				
Beer and wine tax	175,000	180,226		195,163
ABC 5% bottle tax	40,000	37,033		35,342
Video programming tax	165,000	110,103		115,797
Total	380,000	327,362	(52,638)	346,302
<b>Restricted Intergovernmental Revenues:</b>				
Restricted State DSS	10,992,942	10,546,747		10,823,285
Restricted State health	2,117,151	1,959,062		2,231,492
Restricted State other	3,712,371	3,560,638		2,968,351
Restricted federal health	4,208,353	3,411,667		4,093,858
Restricted local grants	266,383	260,076		193,246
Total	21,297,200	19,738,190	(1,559,010)	20,310,232
<b>Permits and Fees:</b>				
Register of Deeds	350,000	331,464		328,700
Building permits	322,000	390,628		304,958
Imaging system payback	6,658	6,657		1,315
Other permits and fees	309,200	397,721		308,524
Total	987,858	1,126,470	138,612	943,497

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Sales and Services:</b>				
Sheriff's officer fees	17,000	15,689		16,889
Jail fees	120,000	134,378		138,407
Home health - other	23,973	834		7,841
Environmental fees	115,000	107,968		105,353
Ambulance collections	3,600,000	3,697,355		3,553,347
Ambulance cost settlement	500,000	606,079		490,442
Local health	45,000	42,028		38,082
Other sales and services	423,329	507,867		465,848
Total	4,844,302	5,112,198	267,896	4,816,209
<b>Investment Earnings</b>	140,000	152,962	12,962	114,301
<b>Miscellaneous:</b>				
Nash general lease	100,000	-		-
Sales tax refund	-	-		3,493
Contribution from ABC Board	340,000	378,347		330,711
TDA funds - economic development	75,000	75,000		75,000
Miscellaneous	540,332	475,243		618,572
Total	1,055,332	928,590	(126,742)	1,027,776
Total revenues	88,524,692	90,222,832	1,698,140	89,391,136
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries	69,234	68,790		68,193
Professional services	1,300	-		48,300
Operating expenditures	47,652	45,115		45,445
Total	118,186	113,905	4,281	161,938
<b>Administration:</b>				
Salaries and employee benefits	566,119	562,178		541,098
Professional services	5,000	4,198		550
Operating expenditures	41,893	32,500		38,042
Total	613,012	598,876	14,136	579,690

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Finance:</b>				
Salaries and employee benefits	483,568	483,505		474,387
Other operating expenditures	25,110	17,872		15,115
Total	508,678	501,377	7,301	489,502
<b>Human Resources:</b>				
Salaries and employee benefits	283,959	283,880		272,498
Operating expenditures	12,475	10,401		36,660
Total	296,434	294,281	2,153	309,158
<b>Board of Elections:</b>				
Salaries and employee benefits	190,796	189,197		180,149
Operating expenditures	86,950	82,105		84,387
Capital outlay	-	-		4,750
Total	277,746	271,302	6,444	269,286
<b>Election Cost:</b>				
Salaries and employee benefits	164,820	117,846		60,630
Operating expenditures	179,750	153,241		82,728
Total	344,570	271,087	73,483	143,358
<b>Tax Supervisor and Data Processing:</b>				
Salaries and employee benefits	1,299,472	1,293,087		1,243,396
Professional services	104,795	91,399		150,446
Operating expenditures	286,313	254,164		223,636
Capital outlay	-	-		21,898
Total	1,690,580	1,638,650	51,930	1,639,376
<b>Legal:</b>				
Professional services	170,000	164,541		146,412
Total	170,000	164,541	5,459	146,412
<b>Register of Deeds:</b>				
Salaries and employee benefits	266,149	266,006		250,275
Operating expenditures	52,289	50,780		41,054
Total	318,438	316,786	1,652	291,329

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Management Information Services:</b>				
Salaries and employee benefits	676,550	656,651		649,953
Professional services	21,520	2,048		10,019
Operating expenditures	49,100	12,926		23,387
Capital outlay	22,000	21,192		8,265
Total	769,170	692,817	76,353	691,624
<b>Technology:</b>				
Operating expenditures	1,077,810	1,009,232		573,873
Capital outlay	91,549	27,512		59,332
Total	1,169,359	1,036,744	132,615	633,205
<b>Public Buildings:</b>				
Salaries and employee benefits	-	-		11,053
Operating expenditures	333,360	255,905		359,201
Capital outlay	290,904	134,483		209,645
Total	624,264	390,388	233,876	579,899
<b>Non-Departmental Costs:</b>				
Operating expenditures	1,586,041	1,074,045		1,103,147
Total	1,586,041	1,074,045	511,996	1,103,147
<b>Administration Building:</b>				
Salaries and employee benefits	541,767	541,762		415,393
Professional services	5,000	3,323		5,021
Operating expenditures	296,165	249,080		246,530
Capital outlay	70,161	50,062		57,071
Total	913,093	844,227	68,866	724,015
<b>Court Facilities:</b>				
Operating expenditures	194,127	171,454		183,036
Capital outlay	32,960	14,565		32,429
Total	227,087	186,019	41,068	215,465



NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>County Capital Improvements:</b>				
Operating expenditures	127,000	33,721		15,300
Capital outlay	346,151	121,750		110,587
Total	473,151	155,471	317,680	125,887
Total general government	10,099,809	8,550,516	1,549,293	8,103,291
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and employee benefits	4,197,838	4,189,107		4,141,287
Operating expenditures	1,036,233	927,970		922,232
Capital outlay	311,576	311,566		410,571
Total	5,545,647	5,428,643	117,004	5,474,090
<b>Court Security:</b>				
Salaries and employee benefits	975,161	935,324		726,774
Total	975,161	935,324	39,837	726,774
<b>School Officers NRMS:</b>				
Salaries and employee benefits	319,919	305,103		331,696
Operating expenses	16,600	15,143		-
Total	336,519	320,246	16,273	331,696
<b>Jail:</b>				
Salaries and employee benefits	2,761,611	2,570,075		2,637,126
Professional services	402,590	395,618		372,920
Operating expenditures	1,029,050	1,002,960		965,661
Capital outlay	1,000	-		43,878
Total	4,194,251	3,968,653	225,598	4,019,585
<b>Court Liaison Grant- ARRA:</b>				
Salaries and employee benefits	57,072	55,808		24,155
Operating expenditures	47,550	42,769		24,894
Total	104,622	98,577	6,045	49,049

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Communications:</b>				
Salaries and employee benefits	1,429,252	1,418,207		1,371,053
Operating expenditures	136,956	116,693		109,360
Total	1,566,208	1,534,900	31,308	1,480,413
<b>Enhanced Wireline:</b>				
Operating expenditures	-	-		1,385
<b>Emergency Services:</b>				
Salaries and employee benefits	542,364	541,714		515,172
Operating expenditures	150,024	76,814		107,155
Total	692,388	618,528	73,860	622,327
<b>Emergency Medical Services:</b>				
Salaries and employee benefits	5,590,829	5,377,115		5,172,007
Professional services	243,000	238,214		249,705
Other operating expenditures	1,011,512	925,841		1,264,021
Capital outlay	657,979	657,978		-
Total	7,503,320	7,199,148	304,172	6,685,733
<b>Fire and Rescue:</b>				
Professional services	235,660	235,660		229,810
<b>Animal Control:</b>				
Salaries and employee benefits	262,055	257,034		252,133
Professional services	42,400	40,023		37,712
Operating expenditures	80,940	51,826		52,531
Capital outlay	3,604	3,604		5,098
Total	388,999	352,487	36,512	347,474
<b>Forestry:</b>				
Operating expenditures	107,750	94,804		104,035
Total	107,750	94,804	12,946	104,035
<b>Medical Examiner:</b>				
Professional services	75,000	75,000		52,500
Total public safety	21,725,525	20,861,970	863,555	20,124,871

NASH COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Transportation:</b>				
<b>Airport:</b>				
Operations	47,857	47,857	-	47,857
<b>Rural Transportation Planning:</b>				
Salaries	85,905	69,047		67,540
Operations	54,480	39,118		23,815
Total	140,385	108,165	32,220	91,355
Total transportation	188,242	156,022	32,220	139,212
<b>Economic and Physical Development:</b>				
<b>Planning:</b>				
Salaries and employee benefits	289,919	283,230		273,474
Professional services	29,800	11,649		8,104
Operating expenditures	29,025	26,613		23,091
Total	348,744	321,492	27,252	304,669
<b>Stormwater:</b>				
Operating expenditures	-	-	-	3,707
<b>Inspections:</b>				
Salaries and employee benefits	339,831	314,086		292,725
Operating expenditures	30,004	26,099		28,219
Total	369,835	340,185	29,650	320,944
<b>Cooperative Extension:</b>				
Salaries and employee benefits	228,208	188,367		186,016
Operating expenditures	75,790	68,981		68,752
Total	303,998	257,348	46,650	254,768
<b>Soil Conservation:</b>				
Salaries and employee benefits	309,437	303,094		297,540
Operating expenditures	51,743	45,780		51,102
Capital outlay	9,425	9,425		-
Total	370,605	358,299	12,306	348,642

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Economic Development:</b>				
Operating expenditures	964,439	772,489		604,657
Total	964,439	772,489	191,950	604,657
Total economic and physical development	2,357,621	2,049,813	307,808	1,837,387
<b>Human Services:</b>				
<b>Health:</b>				
<b>Administration:</b>				
Salaries and employee benefits	1,353,420	1,275,753		1,260,253
Professional services	146,148	126,732		123,305
Operating expenditures	441,480	348,850		366,739
Total	1,941,048	1,751,335	189,713	1,750,297
<b>Family Planning:</b>				
Salaries and employee benefits	697,449	647,748		632,310
Professional services	55,524	55,010		15,775
Operating expenditures	189,933	150,824		139,973
Total	942,906	853,582	89,324	788,058
<b>Home Health:</b>				
Salaries and employee benefits	1,277,308	1,080,577		1,127,827
Professional services	698,955	544,884		610,996
Operating expenditures	271,004	193,070		224,783
Total	2,247,267	1,818,531	428,736	1,963,606
<b>CAP:</b>				
Salaries and employee benefits	203,897	203,548		200,258
Operating expenditures	57,900	23,196		44,517
Total	261,797	226,744	35,053	244,775
<b>Child Service Coordinator:</b>				
Salaries and employee benefits	190,497	166,084		143,651
Professional services	105	105		2,520
Operating expenditures	137,320	14,133		21,512
Total	327,922	180,322	147,600	167,683

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Child Health:</b>				
Salaries and employee benefits	289,658	263,093		336,843
Professional services	35,090	33,326		38,991
Operating expenditures	279,328	275,303		271,160
Capital outlay	14,218	14,218		-
Total	618,294	585,940	32,354	646,994
<b>Maternal Health:</b>				
Salaries and employee benefits	577,480	547,210		514,505
Professional services	66,698	61,056		62,515
Operating expenditures	64,087	33,876		36,615
Total	708,265	642,142	66,123	613,635
<b>AIDS:</b>				
Salaries and employee benefits	74,818	73,123		63,956
Operating expenditures	20,682	19,795		23,152
Total	95,500	92,918	2,582	87,108
<b>Health Promotion:</b>				
Salaries and employee benefits	73,778	63,221		69,762
Professional services	-	-		3,093
Operating expenditures	11,416	9,709		8,884
Total	85,194	72,930	12,264	81,739
<b>Environmental Health:</b>				
Salaries and employee benefits	726,541	707,703		707,641
Operating expenditures	82,749	50,610		55,103
Total	809,290	758,313	50,977	762,744
<b>Diabetic Care:</b>				
Professional services	5,000	3,053		525
Operating expenditures	250	-		1,496
Total	5,250	3,053	2,197	2,021

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Tuberculosis:</b>				
Salaries and employee benefits	139,017	138,200		137,607
Professional services	7,100	7,100		4,589
Operating expenditures	8,573	7,705		5,920
Total	154,690	153,005	1,685	148,116
<b>Community Transformation Grant:</b>				
Operating expenditures	-	-	-	954
<b>WIC Administration:</b>				
Salaries and employee benefits	500,922	496,240		509,327
Operating expenditures	24,227	15,488		20,389
Total	525,149	511,728	13,421	529,716
<b>Communicable Disease:</b>				
Salaries and employee benefits	136,920	131,158		110,923
Professional services	30,513	30,213		78
Operating expenditures	43,717	34,971		31,011
Total	211,150	196,342	14,808	142,012
<b>Healthy Start Baby Love Plus:</b>				
Salaries and employee benefits	108,316	80,877		99,676
Operating expenditures	10,657	7,709		16,437
Total	118,973	88,586	30,387	116,113
<b>Breast and Cervical Cancer:</b>				
Salaries and employee benefits	13,140	13,079		10,729
Professional services	44,106	43,118		41,746
Operating expenditures	895	830		-
Total	58,141	57,027	1,114	52,475
<b>Komen Breast Cancer:</b>				
Salaries and employee benefits	-	-		19,658
Operating expenditures	-	-		5,371
Total	-	-	-	25,029

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Immunization Action Plan:</b>				
Salaries and employee benefits	31,360	31,255		51,682
Operating expenditures	1,100	632		8,406
Total	32,460	31,887	573	60,088
<b>NAP SACC:</b>				
Salaries	47,946	45,550		44,625
Professional services	-	-		4,000
Operating expenditures	7,795	5,298		5,767
Total	55,741	50,848	4,893	54,392
<b>Lead Grant:</b>				
Salaries	12,918	10,671		16,818
Operating expenditures	16,283	-		760
Total	29,201	10,671	18,530	17,578
<b>Bioterrorism Program:</b>				
Salaries	29,966	25,879		30,753
Operating expenditures	7,449	6,503		5,140
Total	37,415	32,382	5,033	35,893
<b>Community Care of Eastern North Carolina:</b>				
Salaries	131,374	130,045		127,899
Operating expenditures	50,590	32,078		31,439
Total	181,964	162,123	19,841	159,338
<b>OB Case Management:</b>				
Salaries	215,659	208,779		155,439
Operating expenditures	63,561	19,532		25,586
Total	279,220	228,311	50,909	181,025
<b>Triple P Health:</b>				
Salaries and employee benefits	85,669	73,860		69,192
Professional services	203,668	173,151		175,009
Operating expenditures	20,987	17,897		46,975
Total	310,324	264,908	45,416	291,176
Total health	10,037,161	8,773,628	1,263,533	8,922,565

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Office of Juvenile Justice:</b>				
Operating expenses	350,391	350,391	-	287,465
<b>Mental Health:</b>				
Operating expenses	223,712	43,893		400,479
Total	223,712	43,893	179,819	400,479
<b>Home Care Community Block Grant:</b>				
Operating expenses	766,189	757,200		731,217
Total	766,189	757,200	8,989	731,217
<b>Social Services:</b>				
<b>General:</b>				
Salaries and employee benefits	8,093,369	7,685,795		7,646,658
Professional services	51,331	42,938		35,647
Assistance payments	858,201	838,188		970,525
Operating expenditures	588,576	501,702		382,584
Capital outlay	14,000	14,000		18,380
Total	9,605,477	9,082,623	522,854	9,053,794
<b>Title IVD -1571:</b>				
Salaries and employee benefits	1,139,417	1,118,369		1,099,624
Professional services	1,650	1,594		1,261
Operating expenditures	56,750	40,915		48,269
Total	1,197,817	1,160,878	36,939	1,149,154
<b>Work First:</b>				
Salaries and employee benefits	464,207	461,252		452,995
Operating expenditures	58,150	40,603		43,854
Total	522,357	501,855	20,502	496,849
<b>Social Services - Other:</b>				
WFFA charges	1,000	-		-
Special assistance	810,000	724,247		813,932
Other assistance	3,936,167	3,576,243		3,690,319
Total	4,747,167	4,300,490	446,677	4,504,251



## NASH COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>DNS - County Only Participation:</b>				
Non-reimbursable	16,470	12,382		9,004
Foster children	3,750	3,318		3,955
Pauper burials	1,500	600		1,620
Total	21,720	16,300	5,420	14,579
 Total social services	 16,094,538	 15,062,146	 1,032,392	 15,218,627
<b>Aging:</b>				
Salaries and employee benefits	200,420	162,221		173,320
Operating expenditures	33,617	29,371		29,689
Contracts and grants	56,498	46,665		36,575
Total	290,535	238,257	52,278	239,584
<b>Senior Center Caregiver Grant:</b>				
Salaries and employee benefits	26,052	26,050		26,390
Operating expenditures	41,981	29,734		20,139
Total	68,033	55,784	12,249	46,529
<b>Senior Health Insurance Info Program:</b>				
Salaries and employee benefits	-	-		1,500
Operating expenditures	3,525	1,500		3,111
Total	3,525	1,500	2,025	4,611
<b>Med Impr Patient Provider Act:</b>				
Operating expenditures	1,773	-		1,739
Total	1,773	-	1,773	1,739
<b>Veteran's Services:</b>				
Salaries and employee benefits	62,800	54,248		28,738
Total	62,800	54,248	8,552	28,738

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Local Human Services:</b>				
Contributions	44,375	41,375		42,363
Tri-County industries	42,000	42,000		42,000
My Sisters House	9,200	9,200		9,200
Beaver Control BMAP	59,000	4,000		4,000
Nash County Arts Council	30,000	30,000		30,000
Nashville Boys Club	25,000	25,000		25,000
House the Children	30,000	30,000		30,000
Downeast Partnership for Children	10,000	10,000		10,000
Total	249,575	191,575	58,000	192,563
Total human services	28,148,232	25,528,622	2,619,610	26,074,117
<b>Cultural:</b>				
<b>Recreation:</b>				
Salaries	320,696	306,495		351,482
Operating expenditures	149,017	143,849		222,852
Total	469,713	450,344	19,369	574,334
<b>Facilities Maintenance:</b>				
Salaries	64,560	64,533		-
Operating expenditures	50,864	50,570		-
Total	115,424	115,103	321	-
<b>Libraries:</b>				
Braswell Library	850,739	850,739		850,739
NC Library Block Grant	174,570	173,865		130,326
Local libraries	72,500	72,500		60,948
Total	1,097,809	1,097,104	705	1,042,013
Total cultural	1,682,946	1,662,551	20,395	1,616,347
<b>Education:</b>				
<b>Nash Community College:</b>				
Operating expenditures	2,000,000	2,000,000		1,645,000
Capital outlay	645,065	634,943		295,000
Total	2,645,065	2,634,943	10,122	1,940,000

NASH COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Nash Rocky Mount Schools:</b>				
Operating expenditures	20,020,261	20,020,261		19,720,261
Capital outlay	1,984,352	1,984,352		1,609,428
Total	22,004,613	22,004,613	-	21,329,689
Total education	24,649,678	24,639,556	10,122	23,269,689
<b>Debt Service:</b>				
Principal retirement	3,809,252	3,838,830		7,257,394
Interest and fees	1,765,989	1,667,537		1,932,413
Issuance cost	-	-		94,341
Total debt service	5,575,241	5,506,367	68,874	9,284,148
Contingency	40,000	-	40,000	-
Total expenditures	94,467,294	88,955,417	5,511,877	90,449,062
Revenues over (under) expenditures	(5,942,602)	1,267,415	7,210,017	(1,057,926)
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds:				
Special revenue funds	(4,930)	(4,930)	-	-
Economic Development Fund	-	-	-	(500,000)
Capital project funds	(650,000)	(650,000)	-	(1,801,179)
Tax Revaluation Fund	(115,000)	(115,000)	-	(115,000)
Transfers from other funds:				
Special revenue funds	200,000	-	(200,000)	31,952
Capital project funds	-	-	-	112,270
Capital lease obligations issued	996,103	995,887	(216)	322,000
Refunding bonds issued	-	-	-	3,787,000
Appropriated fund balance	5,516,429	-	(5,516,429)	-
Total other financing sources (uses)	5,942,602	225,957	(5,716,645)	1,837,043
Net change in fund balance	\$ -	1,493,372	\$ 1,493,372	779,117
<b>Fund Balance:</b>				
Beginning of year - July 1		37,345,419		36,566,302
End of year - June 30		\$ 38,838,791		\$ 37,345,419

## NASH COUNTY, NORTH CAROLINA

## REVALUATION FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 467	\$ 467	\$ 409
<b>Expenditures:</b>				
Revaluation	423,580	308,790	114,790	205,714
Revenues over (under) expenditures	(423,580)	(308,323)	115,257	(205,305)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	308,580	-	(308,580)	-
Transfers from other funds	115,000	115,000	-	115,000
Total other financing sources (uses)	423,580	115,000	(308,580)	115,000
Net change in fund balance	<u>\$ -</u>	(193,323)	<u>\$ (193,323)</u>	(90,305)
<b>Fund Balance:</b>				
Beginning of year - July 1		422,590		512,895
End of year - June 30		<u>\$ 229,267</u>		<u>\$ 422,590</u>

## NASH COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Unrestricted intergovernmental	\$ -	\$ -	\$ -	\$ 181,330
<b>Expenditures:</b>				
Economic and physical development	-	-	-	65,283
Revenues over (under) expenditures	-	-	-	116,047
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	2,004,744	-	(2,004,744)	-
Transfers to other fund	(2,004,744)	(2,004,743)	1	(558,475)
Transfers from other funds	-	-	-	500,000
Total other financing sources (uses)	-	(2,004,743)	(2,004,743)	(58,475)
Net change in fund balance	<u>\$ -</u>	(2,004,743)	<u>\$ (2,004,743)</u>	57,572
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>3,052,984</u>		<u>2,995,412</u>
End of year - June 30		<u>\$ 1,048,241</u>		<u>\$ 3,052,984</u>

***NONMAJOR GOVERNMENTAL FUNDS***

Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2016**

	<b>Nonmajor</b>		
	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,323,073	\$ 5,600,029	\$ 6,923,102
Accounts receivable, net	185,394	-	185,394
Restricted cash	-	31,746	31,746
Total assets	<u>\$ 1,508,467</u>	<u>\$ 5,631,775</u>	<u>\$ 7,140,242</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 147,915	\$ 41,592	\$ 189,507
Due to other funds	104,005	-	104,005
Total liabilities	<u>251,920</u>	<u>41,592</u>	<u>293,512</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by State statute	189,290	-	189,290
Restricted, all other	1,021,478	31,746	1,053,224
Committed	2,623	5,558,437	5,561,060
Assigned	155,143	-	155,143
Unassigned	(111,987)	-	(111,987)
Total fund balances	<u>1,256,547</u>	<u>5,590,183</u>	<u>6,846,730</u>
Total liabilities and fund balances	<u>\$ 1,508,467</u>	<u>\$ 5,631,775</u>	<u>\$ 7,140,242</u>



## NASH COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Nonmajor</b>		
	<b>Special</b>	<b>Capital</b>	
	<b>Revenue Funds</b>	<b>Project Funds</b>	<b>Total</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 3,109,841	\$ -	\$ 3,109,841
Restricted intergovernmental	1,624,748	-	1,624,748
Investment earnings	2,518	3,809	6,327
Miscellaneous	22,403	5,140	27,543
Total revenues	<u>4,759,510</u>	<u>8,949</u>	<u>4,768,459</u>
<b>Expenditures:</b>			
Current:			
Public safety	3,754,156	901,806	4,655,962
Transportation	173,021	-	173,021
Economic and physical development	676,859	-	676,859
General government	-	1,680	1,680
Total expenditures	<u>4,604,036</u>	<u>903,486</u>	<u>5,507,522</u>
Revenues over (under) expenditures	<u>155,474</u>	<u>(894,537)</u>	<u>(739,063)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>4,930</u>	<u>1,150,000</u>	<u>1,154,930</u>
Net change in fund balances	160,404	255,463	415,867
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>1,096,143</u>	<u>5,334,720</u>	<u>6,430,863</u>
End of year - June 30	<u>\$ 1,256,547</u>	<u>\$ 5,590,183</u>	<u>\$ 6,846,730</u>

***NONMAJOR SPECIAL REVENUE FUNDS***

# NASH COUNTY, NORTH CAROLINA

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	<b>Rural Operating Assistance Program</b>	<b>Fire Districts Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Controlled Substance Fund</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 90,059	\$ 410,410	\$ 206,721	\$ 111,749
Receivables, net	<u>-</u>	<u>36,211</u>	<u>30,570</u>	<u>-</u>
Total assets	<u><u>\$ 90,059</u></u>	<u><u>\$ 446,621</u></u>	<u><u>\$ 237,291</u></u>	<u><u>\$ 111,749</u></u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 64,643	\$ -	\$ 38,623	\$ 1,355
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>64,643</u>	<u>-</u>	<u>38,623</u>	<u>1,355</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	-	36,211	30,570	-
Restricted, all other	-	410,410	168,098	-
Committed	-	-	-	-
Assigned	25,416	-	-	110,394
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>25,416</u>	<u>446,621</u>	<u>198,668</u>	<u>110,394</u>
Total liabilities and fund balances	<u><u>\$ 90,059</u></u>	<u><u>\$ 446,621</u></u>	<u><u>\$ 237,291</u></u>	<u><u>\$ 111,749</u></u>

# NASH COUNTY, NORTH CAROLINA

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	Federal Asset Forfeiture Fund	Stormwater Maintenance Fund	Tourism Fund	Grant Projects Fund	Total
<b>Assets:</b>					
Cash and cash equivalents	\$ 239,903	\$ 19,333	\$ 242,398	\$ 2,500	\$ 1,323,073
Receivables, net	-	-	6,626	111,987	185,394
Total assets	<u>\$ 239,903</u>	<u>\$ 19,333</u>	<u>\$ 249,024</u>	<u>\$ 114,487</u>	<u>\$ 1,508,467</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 26,349	\$ -	\$ 9,086	\$ 7,859	\$ 147,915
Due to other funds	-	-	-	104,005	104,005
Total liabilities	<u>26,349</u>	<u>-</u>	<u>9,086</u>	<u>111,864</u>	<u>251,920</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	3,896	-	6,626	111,987	189,290
Restricted, all other	209,658	-	233,312	-	1,021,478
Committed	-	-	-	2,623	2,623
Assigned	-	19,333	-	-	155,143
Unassigned	-	-	-	(111,987)	(111,987)
Total fund balances	<u>213,554</u>	<u>19,333</u>	<u>239,938</u>	<u>2,623</u>	<u>1,256,547</u>
Total liabilities and fund balances	<u>\$ 239,903</u>	<u>\$ 19,333</u>	<u>\$ 249,024</u>	<u>\$ 114,487</u>	<u>\$ 1,508,467</u>

# NASH COUNTY, NORTH CAROLINA

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Rural Operating Assistance Program	Fire Districts Fund	Emergency Telephone System Fund	Controlled Substance Fund
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ 3,109,841	\$ -	\$ -
Restricted intergovernmental	173,021	-	366,837	67,685
Investment earnings	201	967	461	170
Miscellaneous	-	-	-	13,800
Total revenues	<u>173,222</u>	<u>3,110,808</u>	<u>367,298</u>	<u>81,655</u>
<b>Expenditures:</b>				
Public safety	-	2,982,780	445,387	55,471
Transportation	173,021	-	-	-
Economic and physical development	-	-	-	-
Total expenditures	<u>173,021</u>	<u>2,982,780</u>	<u>445,387</u>	<u>55,471</u>
Revenues over (under) expenditures	201	128,028	(78,089)	26,184
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	-	-	4,930	-
Net change in fund balances	201	128,028	(73,159)	26,184
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>25,215</u>	<u>318,593</u>	<u>271,827</u>	<u>84,210</u>
End of year - June 30	<u>\$ 25,416</u>	<u>\$ 446,621</u>	<u>\$ 198,668</u>	<u>\$ 110,394</u>

# NASH COUNTY, NORTH CAROLINA

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Federal Asset Forfeiture Fund	Stormwater Maintenance Fund	Tourism Fund	Grant Projects Fund	Total
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,109,841
Restricted intergovernmental	184,129	-	472,273	360,803	1,624,748
Investment earnings	278	35	393	13	2,518
Miscellaneous	8,603	-	-	-	22,403
Total revenues	<u>193,010</u>	<u>35</u>	<u>472,666</u>	<u>360,816</u>	<u>4,759,510</u>
<b>Expenditures:</b>					
Public safety	169,249	-	-	101,269	3,754,156
Transportation	-	-	-	-	173,021
Economic and physical development	-	-	370,091	306,768	676,859
Total expenditures	<u>169,249</u>	<u>-</u>	<u>370,091</u>	<u>408,037</u>	<u>4,604,036</u>
Revenues over (under) expenditures	23,761	35	102,575	(47,221)	155,474
<b>Other Financing Sources (Uses):</b>					
Transfers to other funds	-	-	-	-	4,930
Net change in fund balances	23,761	35	102,575	(47,221)	160,404
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>189,793</u>	<u>19,298</u>	<u>137,363</u>	<u>49,844</u>	<u>1,096,143</u>
End of year - June 30	<u>\$ 213,554</u>	<u>\$ 19,333</u>	<u>\$ 239,938</u>	<u>\$ 2,623</u>	<u>\$ 1,256,547</u>

## NASH COUNTY, NORTH CAROLINA

**RURAL OPERATING ASSISTANCE PROGRAM**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<b>2016</b>			<b>2015</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Restricted intergovernmental - grants:				
EDTAP	\$ 76,715	\$ 76,715	\$ -	\$ 76,293
WorkFirst	26,726	26,726	-	18,238
Rural General Public Program	69,580	69,580	-	66,599
Total restricted intergovernmental - grants	<u>173,021</u>	<u>173,021</u>	<u>-</u>	<u>161,130</u>
Investment earnings	-	201	201	42
Total revenues	<u>173,021</u>	<u>173,222</u>	<u>201</u>	<u>161,172</u>
<b>Expenditures:</b>				
Transportation:				
EDTAP	76,715	76,715	-	83,293
WorkFirst	26,726	26,726	-	11,238
Rural General Public Programs	69,580	69,580	-	66,599
Total expenditures	<u>173,021</u>	<u>173,021</u>	<u>-</u>	<u>161,130</u>
Net change in fund balance	<u>\$ -</u>	201	<u>\$ 201</u>	42
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>25,215</u>		<u>25,173</u>
End of year - June 30		<u>\$ 25,416</u>		<u>\$ 25,215</u>

## NASH COUNTY, NORTH CAROLINA

## FIRE DISTRICTS FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,977,961	\$ 3,109,841	\$ 131,880	\$ 2,932,311
Investment earnings	-	967	967	348
Total revenues	<u>2,977,961</u>	<u>3,110,808</u>	<u>132,847</u>	<u>2,932,659</u>
<b>Expenditures:</b>				
Public safety:				
Stanhope	62,031	62,031	-	59,904
Stony Creek	8,288	8,288	-	8,243
Green Hornet	109,267	109,267	-	110,519
Harrison	143,915	143,915	-	149,266
Ferrells	182,579	182,579	-	182,579
N.S. Gulley	427,415	427,415	-	378,364
Silver Lake	9,639	9,639	-	9,362
Sims	7,958	7,958	-	23,820
Tri-County	97,658	97,658	-	76,035
Salem	155,942	155,942	-	154,189
West Mount	333,307	333,307	-	255,103
Coopers	277,866	277,866	-	284,443
Castalia	112,825	112,825	-	114,659
Spring Hope	222,694	222,694	-	225,353
Middlesex	136,578	136,578	-	133,254
Whitakers	189,887	189,887	-	190,712
Red Oak	362,202	362,202	-	354,727
Momeyer	142,729	142,729	-	142,088
Total expenditures	<u>2,982,780</u>	<u>2,982,780</u>	<u>-</u>	<u>2,852,620</u>
Revenues over (under) expenditures	(4,819)	128,028	132,847	80,039
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>4,819</u>	<u>-</u>	<u>(4,819)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>128,028</u>	<u>\$ 128,028</u>	<u>80,039</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>318,593</u>		<u>238,554</u>
End of year - June 30		<u>\$ 446,621</u>		<u>\$ 318,593</u>



## NASH COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental - Wireless E911	\$ 366,837	\$ 366,837	\$ -	\$ 476,846
Investment earnings	-	461	461	214
Total revenues	<u>366,837</u>	<u>367,298</u>	<u>461</u>	<u>477,060</u>
<b>Expenditures:</b>				
Public safety:				
Telephone	185,524	171,749	13,775	136,898
Software	104,707	104,043	664	91,371
Hardware	86,825	73,668	13,157	111,297
Training	12,500	6,785	5,715	12,830
Implemental functions	89,147	89,142	5	55,609
Total expenditures	<u>478,703</u>	<u>445,387</u>	<u>33,316</u>	<u>408,005</u>
Revenues over (under) expenditures	<u>(111,866)</u>	<u>(78,089)</u>	<u>33,777</u>	<u>69,055</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	-	4,930	4,930	-
Appropriated fund balance	<u>111,866</u>	<u>-</u>	<u>(111,866)</u>	<u>-</u>
Total other financing sources (uses)	<u>111,866</u>	<u>4,930</u>	<u>(106,936)</u>	<u>3,866</u>
Net change in fund balance	<u>\$ -</u>	<u>(73,159)</u>	<u>\$ (73,159)</u>	<u>72,921</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>271,827</u>		<u>198,906</u>
End of year - June 30		<u>\$ 198,668</u>		<u>\$ 271,827</u>

**PSAP RECONCILIATION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Amounts reported on the Emergency Telephone System Fund budget  
to actual are different from the PSAP Revenue - Expenditure Report because:

Ending fund balance, reported on Budget to Actual	\$ 198,668
Ineligible expenditures reported in Emergency Telephone System Fund	-
Ending balance, PSAP Revenue - Expenditure Report	<u>\$ 198,668</u>

## NASH COUNTY, NORTH CAROLINA

## CONTROLLED SUBSTANCE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Controlled substance funds	\$ 20,000	\$ 67,685	\$ 47,685	\$ 21,300
Investment earnings	-	170	170	126
Miscellaneous	5,000	13,800	8,800	10,800
Total revenues	25,000	81,655	56,655	32,226
<b>Expenditures:</b>				
Public safety	69,000	55,471	13,529	134,299
Revenues over (under) expenditures	(44,000)	26,184	70,184	(102,073)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	44,000	-	(44,000)	-
Net change in fund balance	\$ -	26,184	\$ 26,184	(102,073)
<b>Fund Balance:</b>				
Beginning of year - July 1		84,210		186,283
End of year - June 30		\$ 110,394		\$ 84,210

## NASH COUNTY, NORTH CAROLINA

**FEDERAL ASSET FORFEITURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Federal asset forfeitures	\$ 10,000	\$ 184,129	\$ 174,129	\$ 52,857
Miscellaneous income	-	8,603	8,603	-
Investment earnings	-	278	278	203
Total revenues	<u>10,000</u>	<u>193,010</u>	<u>183,010</u>	<u>53,060</u>
<b>Expenditures:</b>				
Public safety	<u>183,585</u>	<u>169,249</u>	<u>14,336</u>	<u>123,079</u>
Revenues over (under) expenditures	(173,585)	23,761	197,346	(70,019)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>173,585</u>	<u>-</u>	<u>(173,585)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>23,761</u>	<u>\$ 23,761</u>	<u>(70,019)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>189,793</u>		<u>259,812</u>
End of year - June 30		<u>\$ 213,554</u>		<u>\$ 189,793</u>

## NASH COUNTY, NORTH CAROLINA

## STORMWATER MAINTENANCE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Stormwater maintenance fees	\$ -	\$ -	\$ -	\$ 7,500
Investment earnings	-	35	35	9
Total revenues	-	35	35	7,509
Net change in fund balance	\$ -	35	\$ 35	7,509
<b>Fund Balance:</b>				
Beginning of year - July 1		19,298		11,789
End of year - June 30		\$ 19,333		\$ 19,298

## NASH COUNTY, NORTH CAROLINA

## TOURISM FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 470,000	\$ 472,273	\$ 2,273	\$ 456,650
Investment earnings	-	393	393	117
Total revenues	<u>470,000</u>	<u>472,666</u>	<u>2,666</u>	<u>456,767</u>
<b>Expenditures:</b>				
Economic and physical development:				
Salaries	68,590	39,074	29,516	66,720
Operating expenditures	<u>401,410</u>	<u>331,017</u>	<u>70,393</u>	<u>431,776</u>
Total expenditures	<u>470,000</u>	<u>370,091</u>	<u>99,909</u>	<u>498,496</u>
Net change in fund balance	<u>\$ -</u>	102,575	<u>\$ 102,575</u>	(41,729)
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>137,363</u>		<u>179,092</u>
End of year - June 30		<u>\$ 239,938</u>		<u>\$ 137,363</u>

Nash County, North Carolina  
Financial Statements and Schedules

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# NASH COUNTY, NORTH CAROLINA

## GRANT PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Homeland Security Grant</u>	<u>Single Family Rehabilitation Project</u>	<u>Urgent Repair Program</u>
<b>Revenues:</b>			
Restricted intergovernmental - grants	\$ 101,269	\$ 180,154	\$ 49,427
Investment earnings	<u>-</u>	<u>-</u>	<u>13</u>
Total revenues	<u>101,269</u>	<u>180,154</u>	<u>49,440</u>
<b>Expenditures:</b>			
Public safety	101,269	-	-
Economic and physical development	<u>-</u>	<u>180,071</u>	<u>96,744</u>
Total expenditures	<u>101,269</u>	<u>180,071</u>	<u>96,744</u>
Net change in fund balances	-	83	(47,304)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>123</u>	<u>(83)</u>	<u>47,304</u>
End of year - June 30	<u><u>\$ 123</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## NASH COUNTY, NORTH CAROLINA

## GRANT PROJECTS FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCES - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

	Abandoned Manufactured Homes Grant	CDBG Grant Fund	Hazard Mitigation Plan Grant	Total
<b>Revenues:</b>				
Restricted intergovernmental - grants	\$ -	\$ 22,953	\$ 7,000	\$ 360,803
Investment earnings	-	-	-	13
Total revenues	-	22,953	7,000	360,816
<b>Expenditures:</b>				
Public safety	-	-	-	101,269
Economic and physical development	-	22,953	7,000	306,768
Total expenditures	-	22,953	7,000	408,037
Net change in fund balances	-	-	-	(47,221)
<b>Fund Balances:</b>				
Beginning of year - July 1	2,500	-	-	49,844
End of year - June 30	\$ 2,500	\$ -	\$ -	\$ 2,623



## NASH COUNTY, NORTH CAROLINA

## HOMELAND SECURITY GRANT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Homeland Security Grant	\$ 1,035,346	\$ 1,023,538	\$ 101,269	\$ 1,124,807	\$ 89,461
Emergency Operations Planning Grant	29,950	29,000	-	29,000	(950)
Investment earnings	-	1,832	-	1,832	1,832
Total revenues	<u>1,065,296</u>	<u>1,054,370</u>	<u>101,269</u>	<u>1,155,639</u>	<u>90,343</u>
<b>Expenditures:</b>					
Public safety:					
Planning	29,950	29,000	101,269	130,269	(100,319)
Supplies	76,040	74,350	-	74,350	1,690
Training	48,968	49,888	-	49,888	(920)
Equipment	<u>910,338</u>	<u>901,009</u>	<u>-</u>	<u>901,009</u>	<u>9,329</u>
Total expenditures	<u>1,065,296</u>	<u>1,054,247</u>	<u>101,269</u>	<u>1,155,516</u>	<u>(90,220)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 123</u>	<u>-</u>	<u>\$ 123</u>	<u>\$ 123</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>123</u>		
End of year - June 30			<u>\$ 123</u>		

## NASH COUNTY, NORTH CAROLINA

**SINGLE FAMILY REHABILITATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Single Family Rehabilitation Grant 2004	\$ 711,610	\$ 10,775	\$ 180,154	\$ 190,929	\$ (520,681)
<b>Expenditures:</b>					
Economic and physical development:					
Single Family Rehabilitation Grant 2014	711,610	10,858	180,071	190,929	520,681
Net change in fund balance	\$ -	\$ (83)	83	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			(83)		
End of year - June 30			\$ -		

## NASH COUNTY, NORTH CAROLINA

**URGENT REPAIR PROGRAM**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Urgent Repair Grant 2010	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
Urgent Repair Grant 2012	75,000	74,967	-	74,967	(33)
Urgent Repair Program	100,000	50,000	49,427	99,427	(573)
Owner contributions	8,500	8,200	-	8,200	(300)
Program income	150	150	-	150	-
Investment earnings	-	55	13	68	68
Total revenues	<u>236,650</u>	<u>186,372</u>	<u>49,440</u>	<u>235,812</u>	<u>(838)</u>
<b>Expenditures:</b>					
Economic and physical development:					
Urgent Repair Grant 2010	61,150	61,364	-	61,364	(214)
Urgent Repair Grant 2012	75,500	74,984	-	74,984	516
Housing Rehabilitation	<u>100,000</u>	<u>2,720</u>	<u>96,744</u>	<u>99,464</u>	<u>536</u>
Total expenditures	<u>236,650</u>	<u>139,068</u>	<u>96,744</u>	<u>235,812</u>	<u>838</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 47,304</u>	<u>(47,304)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>47,304</u>		
End of year - June 30			<u>\$ -</u>		

# NASH COUNTY, NORTH CAROLINA

## ABANDONED MANUFACTURED HOMES GRANT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		<u>Actual</u>			
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>to Date</u>	<u>Over/Under</u>
<b>Revenues:</b>					
Abandoned Manufactured Homes Grant	\$ 40,700	\$ 17,350	\$ -	\$ 17,350	\$ (23,350)
<b>Expenditures:</b>					
Economic and physical development:					
Abandoned structures	40,700	14,850	-	14,850	25,850
Net change in fund balance	\$ -	\$ 2,500	-	\$ 2,500	\$ 2,500
<b>Fund Balance:</b>					
Beginning of year - July 1			2,500		
End of year - June 30			\$ 2,500		

## NASH COUNTY, NORTH CAROLINA

## CDBG GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Community Development Grants:					
Mamie Lane	\$ 780,000	\$ 664,965	\$ -	\$ 664,965	\$ (115,035)
Infrastructure hookup	75,000	53,246	-	53,246	(21,754)
Nutkao	750,000	750,000	-	750,000	-
Commerce Fellows Grant	27,477	-	22,953	22,953	(4,524)
Total revenues	1,632,477	1,468,211	22,953	1,491,164	(141,313)
<b>Expenditures:</b>					
Economic and physical development:					
Community Development Grants:					
Mamie Lane	788,000	667,965	-	667,965	120,035
Infrastructure hookup	75,000	53,246	-	53,246	21,754
Nutkao	750,000	750,000	-	750,000	-
Commerce Fellows Grant	27,477	-	22,953	22,953	4,524
Total expenditures	1,640,477	1,471,211	22,953	1,494,164	146,313
Revenues over (under) expenditures	(8,000)	(3,000)	-	(3,000)	5,000
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	15,000	10,000	-	10,000	(5,000)
Transfer to other funds	(7,000)	(7,000)	-	(7,000)	-
Total other financing sources (uses)	8,000	3,000	-	3,000	(5,000)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

# NASH COUNTY, NORTH CAROLINA

## HAZARD MITIGATION PLAN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>					
Restricted intergovernmental:					
Hazard Mitigation Grant	\$ 70,000	\$ 63,000	\$ 7,000	\$ 70,000	\$ -
<b>Expenditures:</b>					
Economic and physical development:					
Hazard Mitigation Plan expenses	70,000	63,000	7,000	70,000	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

Nash County, North Carolina  
Financial Statements and Schedules

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***NONMAJOR CAPITAL PROJECT FUNDS***



# NASH COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	<b>Middlesex Industrial Park</b>	<b>Capital Reserve Fund</b>	<b>Nash Community College Bond Fund Project</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 685,630	\$ 2,070,148	\$ -
Restricted cash	<u>-</u>	<u>-</u>	<u>31,746</u>
Total assets	<u>\$ 685,630</u>	<u>\$ 2,070,148</u>	<u>\$ 31,746</u>
<b>Liabilities:</b>			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances:</b>			
Restricted:			
Restricted, all other	-	-	31,746
Committed	<u>685,630</u>	<u>2,070,148</u>	<u>-</u>
Total fund balances	<u>685,630</u>	<u>2,070,148</u>	<u>31,746</u>
Total liabilities and fund balances	<u>\$ 685,630</u>	<u>\$ 2,070,148</u>	<u>\$ 31,746</u>

# NASH COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	Nashville EMS Station Capital Project	Courts/Sheriff Addition Capital Project	Senior Center/Park Capital Reserve Fund	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 276,250	\$ 1,418,001	\$ 1,150,000	\$ 5,600,029
Restricted cash	-	-	-	31,746
Total assets	<u>\$ 276,250</u>	<u>\$ 1,418,001</u>	<u>\$ 1,150,000</u>	<u>\$ 5,631,775</u>
<b>Liabilities:</b>				
Accounts payable	<u>\$ 41,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,592</u>
<b>Fund Balances:</b>				
Restricted:				
Restricted, all other	-	-	-	31,746
Committed	<u>234,658</u>	<u>1,418,001</u>	<u>1,150,000</u>	<u>5,558,437</u>
Total fund balances	<u>234,658</u>	<u>1,418,001</u>	<u>1,150,000</u>	<u>5,590,183</u>
Total liabilities and fund balances	<u>\$ 276,250</u>	<u>\$ 1,418,001</u>	<u>\$ 1,150,000</u>	<u>\$ 5,631,775</u>

# NASH COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Middlesex Industrial Park	Capital Reserve Fund	Nash Community College Bond Fund Project
<b>Revenues:</b>			
Sales tax refund	\$ -	\$ -	\$ -
Investment earnings	-	3,739	70
Total revenues	-	3,739	70
<b>Expenditures:</b>			
Current:			
General government	1,680	-	-
Public safety	-	-	-
Total expenditures	1,680	-	-
Revenues over (under) expenditures	(1,680)	3,739	70
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	500,000	-	-
Net change in fund balance	498,320	3,739	70
<b>Fund Balances:</b>			
Beginning of year - July 1	187,310	2,066,409	31,676
End of year - June 30	\$ 685,630	\$ 2,070,148	\$ 31,746

# NASH COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Nashville EMS Station Capital Project	Courts/Sheriff Addition Capital Project	Senior Center/Park Capital Reserve Fund	Total
<b>Revenues:</b>				
Lottery funds	\$ 5,140	\$ -	\$ -	\$ 5,140
Investment earnings	-	-	-	3,809
Total revenues	<u>5,140</u>	<u>-</u>	<u>-</u>	<u>8,949</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	1,680
Public safety	<u>320,482</u>	<u>581,324</u>	<u>-</u>	<u>901,806</u>
Total expenditures	<u>320,482</u>	<u>581,324</u>	<u>-</u>	<u>903,486</u>
Revenues over (under) expenditures	<u>(315,342)</u>	<u>(581,324)</u>	<u>-</u>	<u>(894,537)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>-</u>	<u>-</u>	<u>650,000</u>	<u>1,150,000</u>
Net change in fund balance	(315,342)	(581,324)	650,000	255,463
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>550,000</u>	<u>1,999,325</u>	<u>500,000</u>	<u>5,334,720</u>
End of year - June 30	<u>\$ 234,658</u>	<u>\$ 1,418,001</u>	<u>\$ 1,150,000</u>	<u>\$ 5,590,183</u>

## NASH COUNTY, NORTH CAROLINA

**MIDDLESEX INDUSTRIAL PARK**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

		<u>Actual</u>			
	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>to Date</u>	<u>Variance</u> <u>Over/Under</u>
<b>Revenues:</b>					
DOT	\$ 1,100,000	\$ 1,110,234	\$ -	\$ 1,110,234	\$ 10,234
Rural Hope Grant	32,000	32,000	-	32,000	-
Investment earnings	-	1,533	-	1,533	1,533
Total revenues	<u>1,132,000</u>	<u>1,143,767</u>	<u>-</u>	<u>1,143,767</u>	<u>11,767</u>
<b>Expenditures:</b>					
General government:					
Road project	<u>1,854,717</u>	<u>1,292,272</u>	<u>1,680</u>	<u>1,293,952</u>	<u>560,765</u>
Revenues over (under) expenditures	<u>(722,717)</u>	<u>(148,505)</u>	<u>(1,680)</u>	<u>(150,185)</u>	<u>572,532</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from certificates of participation	10,235	-	-	-	(10,235)
Transfers from other funds	<u>712,482</u>	<u>335,815</u>	<u>500,000</u>	<u>835,815</u>	<u>123,333</u>
Total other financing sources (uses)	<u>722,717</u>	<u>335,815</u>	<u>500,000</u>	<u>835,815</u>	<u>113,098</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 187,310</u>	498,320	<u>\$ 685,630</u>	<u>\$ 685,630</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>187,310</u>		
End of year - June 30			<u>\$ 685,630</u>		

## NASH COUNTY, NORTH CAROLINA

## CAPITAL RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 3,739	\$ 3,739	\$ 1,629
Net change in fund balance	<u>\$ -</u>	<u>3,739</u>	<u>\$ 3,739</u>	1,629
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>2,066,409</u>		<u>2,064,780</u>
End of year - June 30		<u>\$ 2,070,148</u>		<u>\$ 2,066,409</u>

## NASH COUNTY, NORTH CAROLINA

**NASH COMMUNITY COLLEGE BOND FUND PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 7,879	\$ 70	\$ 7,949	\$ 7,949
<b>Expenditures:</b>					
Education:					
Construction	9,690,066	9,666,268	-	9,666,268	23,798
Revenues over (under) expenditures	(9,690,066)	(9,658,389)	70	(9,658,319)	31,747
<b>Other Financing Sources (Uses):</b>					
Proceeds from general obligation bonds	9,310,001	9,310,000	-	9,310,000	(1)
Premium on general obligation bonds	380,065	380,065	-	380,065	-
Total other financing sources (uses)	9,690,066	9,690,065	-	9,690,065	(1)
Net change in fund balance	\$ -	\$ 31,676	70	\$ 31,746	\$ 31,746
<b>Fund Balance:</b>					
Beginning of year - July 1			31,676		
End of year - June 30			\$ 31,746		

## NASH COUNTY, NORTH CAROLINA

**NASHVILLE EMS STATION CAPITAL PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Sales tax refund	\$ -	\$ -	\$ 5,140	\$ 5,140	\$ 5,140
<b>Expenditures:</b>					
Public Safety:					
Construction	400,000	-	320,482	320,482	79,518
Revenues over (under) expenditures	(400,000)	-	(315,342)	(315,342)	84,658
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	400,000	550,000	-	550,000	150,000
Net change in fund balance	\$ -	\$ 550,000	(315,342)	\$ 234,658	\$ 234,658
<b>Fund Balance:</b>					
Beginning of year - July 1			550,000		
End of year - June 30			\$ 234,658		



## NASH COUNTY, NORTH CAROLINA

**NASH COURTS/SHERIFF ADDITION CAPITAL PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>					
Public safety:					
Construction	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Professional services	-	675	581,324	581,999	(581,999)
Total expenditures	<u>1,000,000</u>	<u>675</u>	<u>581,324</u>	<u>581,999</u>	<u>418,001</u>
Revenues over (under) expenditures	(1,000,000)	(675)	(581,324)	(581,999)	418,001
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	<u>1,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>1,000,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,999,325</u>	<u>(581,324)</u>	<u>\$ 1,418,001</u>	<u>\$ 1,418,001</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>1,999,325</u>		
End of year - June 30			<u>\$ 1,418,001</u>		

## NASH COUNTY, NORTH CAROLINA

**CAPITAL RESERVE FUND - SENIOR CENTER/PARK**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Expenditures:</b>					
Public safety:					
Construction	\$ 708,500	\$ -	\$ -	\$ -	\$ 708,500
Office equipment	70,000	-	-	-	70,000
Property survey	10,500	-	-	-	10,500
Design	14,500	-	-	-	14,500
Other professional services	28,500	-	-	-	28,500
Contingency	68,000	-	-	-	68,000
Total expenditures	900,000	-	-	-	900,000
Revenues over (under) expenditures	(900,000)	-	-	-	900,000
<b>Other Financing Sources (Uses):</b>					
Appropriated fund balance	500,000	-	-	-	(500,000)
Transfers from other funds	400,000	500,000	650,000	1,150,000	750,000
Total other financing sources (uses)	900,000	500,000	650,000	1,150,000	250,000
Net change in fund balance	\$ -	\$ 500,000	650,000	\$ 1,150,000	\$ 1,150,000
<b>Fund Balance:</b>					
Beginning of year - July 1			500,000		
End of year - June 30			\$ 1,150,000		

Nash County, North Carolina  
Financial Statements and Schedules

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# ***ENTERPRISE FUNDS***

Nash County, North Carolina  
Financial Statements and Schedules

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# NASH COUNTY, NORTH CAROLINA

## WATER AND SEWER FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services	\$ 1,995,900	\$ 1,833,399	\$ (162,501)	\$ 1,615,200
Total operating revenues	<u>1,995,900</u>	<u>1,833,399</u>	<u>(162,501)</u>	<u>1,615,200</u>
Non-operating revenues:				
Capital contribution	89,996	89,997	1	93,588
Interest on investments	<u>100</u>	<u>1,172</u>	<u>1,072</u>	<u>4,698</u>
Total non-operating revenues	<u>90,096</u>	<u>91,169</u>	<u>1,073</u>	<u>98,286</u>
Total revenues	<u>2,085,996</u>	<u>1,924,568</u>	<u>(161,428)</u>	<u>1,713,486</u>
<b>Expenditures:</b>				
Operating expenditures:				
Water operations:				
Salaries and employee benefits		422,679		456,415
Professional services		12,007		48,562
Operating expenses		540,699		506,727
Repairs and maintenance		5,844		3,432
Capital outlay		-		30,501
Total	<u>1,231,017</u>	<u>981,229</u>	<u>249,788</u>	<u>1,045,637</u>
Sewer operations:				
Salaries and employee benefits		31,569		28,736
Professional services		2,207		24,073
Operating expenses		281,192		231,424
Total	<u>505,040</u>	<u>314,968</u>	<u>190,072</u>	<u>284,233</u>
Total operating expenditures	<u>1,736,057</u>	<u>1,296,197</u>	<u>439,860</u>	<u>1,329,870</u>
Non-operating expenditures:				
Debt principal payment	305,500	305,500	-	305,500
Debt interest payment	65,317	65,313	4	77,351
Contingency	<u>100,888</u>	<u>-</u>	<u>100,888</u>	<u>-</u>
Total non-operating expenditures	<u>471,705</u>	<u>370,813</u>	<u>100,892</u>	<u>382,851</u>
Total expenditures	<u>2,207,762</u>	<u>1,667,010</u>	<u>540,752</u>	<u>1,712,721</u>

NASH COUNTY, NORTH CAROLINA

**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(121,766)	257,558	379,324	765
<b>Other Financing Sources (Uses):</b>				
Transfer from other funds	687,494	687,493	(1)	-
Transfer to other funds	(565,728)	(565,728)	-	(546,500)
Total other financing sources (uses)	121,766	121,765	(1)	(546,500)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 379,323	\$ 379,323	\$ (545,735)

**Reconciliation from Budgetary Basis  
(Modified Accrual) to Full Accrual Basis:**

Revenues and other financing sources over (under) expenditures and other financing uses	\$ 379,323
Reconciling items:	
Capital assets purchased	2,294,164
Depreciation	(331,448)
Change in accrued interest	5,208
Principal retirement	305,500
Increase in deferred outflows of resources - pensions	7,972
Decrease in net pension asset	(81,896)
Increase in net pension liability	(26,508)
Decrease in deferred inflows of resources - pensions	185,449
Change in accrued compensated absences	(719)
Grant revenues from capital projects	1,200,000
Non-capitalized capital project expense	(8,525)
Capital project expenditures	(2,294,164)
Contributed capital	37,435
Interfund transfers	1,317,250
Change in OPEB liability	202,291
Change in net position	\$ 3,191,332

## NASH COUNTY, NORTH CAROLINA

## RURAL CENTER GRANTS FUND

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Rural Center Grant	\$ 120,000	\$ 120,000	\$ -	\$ 120,000	\$ -
Investment earnings	-	35	-	35	35
Total revenues	120,000	120,035	-	120,035	35
<b>Expenditures:</b>					
Feasibility study and drought plan	257,900	250,569	7,210	257,779	121
Revenues over (under) expenditures	(137,900)	(130,534)	(7,210)	(137,744)	156
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	137,900	137,900	-	137,900	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 7,366	\$ (7,210)	\$ 156	\$ 156



## NASH COUNTY, NORTH CAROLINA

**CASTALIA WATER SYSTEM PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>					
Contributions	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	\$ -
CDBG	750,000	750,000	-	750,000	-
NC Rural Center Grant	500,000	488,833	-	488,833	(11,167)
Total revenues	<u>1,270,000</u>	<u>1,258,833</u>	<u>-</u>	<u>1,258,833</u>	<u>(11,167)</u>
<b>Expenditures:</b>					
Operating expenditures	<u>1,293,768</u>	<u>1,282,601</u>	<u>-</u>	<u>1,282,601</u>	<u>11,167</u>
Revenues over (under) expenditures	(23,768)	(23,768)	-	(23,768)	-
<b>Other Financing Sources (Uses):</b>					
Transfer from Utilities Fund	<u>23,768</u>	<u>23,768</u>	<u>-</u>	<u>23,768</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## NASH COUNTY, NORTH CAROLINA

## 97 SEWER

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Golden Leaf Grant	\$ 1,500,000	\$ -	\$ 1,200,000	\$ 1,200,000	\$ (300,000)
Miscellaneous	-	-	37,435	37,435	37,435
Total revenues	<u>1,500,000</u>	<u>-</u>	<u>1,237,435</u>	<u>1,237,435</u>	<u>(262,565)</u>
<b>Expenditures:</b>					
Construction and engineering	280,447	10,043	20,550	30,593	249,854
Administrative fees	<u>2,771,788</u>	<u>118,472</u>	<u>2,274,929</u>	<u>2,393,401</u>	<u>378,387</u>
Total expenditures	<u>3,052,235</u>	<u>128,515</u>	<u>2,295,479</u>	<u>2,423,994</u>	<u>628,241</u>
Revenues over (under) expenditures	<u>(1,552,235)</u>	<u>(128,515)</u>	<u>(1,058,044)</u>	<u>(1,186,559)</u>	<u>365,676</u>
<b>Other Financing Sources (Uses):</b>					
Appropriated fund balance	234,985	-	-	-	(234,985)
Transfer from other funds	<u>1,317,250</u>	<u>363,500</u>	<u>1,317,250</u>	<u>1,680,750</u>	<u>363,500</u>
Total other financing sources (uses)	<u>1,552,235</u>	<u>363,500</u>	<u>1,317,250</u>	<u>1,680,750</u>	<u>128,515</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 234,985</u>	<u>\$ 259,206</u>	<u>\$ 494,191</u>	<u>\$ 494,191</u>

# NASH COUNTY, NORTH CAROLINA

## SOLID WASTE FUND

### SCHEDULE OF REVENUES AND EXPENDITURES -

### BUDGET AND ACTUAL (NON-GAAP)

### FOR THE YEAR ENDED JUNE 30, 2016

### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Solid waste charges	\$ 223,000	\$ 374,019	\$ 151,019	\$ 240,207
Scrap tire disposal tax	115,250	125,362	10,112	119,729
Miscellaneous	87,000	107,783	20,783	86,081
Rural household fees	2,213,000	2,201,810	(11,190)	1,731,875
Recycling fees	3,700	2,176	(1,524)	3,586
Recycling Grant	28,500	-	(28,500)	19,000
Total operating revenues	<u>2,670,450</u>	<u>2,811,150</u>	<u>140,700</u>	<u>2,200,478</u>
Non-operating revenues:				
Interest on investments	<u>7,500</u>	<u>12,074</u>	<u>4,574</u>	<u>-</u>
Total non-operating revenues	<u>7,500</u>	<u>12,074</u>	<u>4,574</u>	<u>-</u>
Total revenues	<u>2,677,950</u>	<u>2,823,224</u>	<u>145,274</u>	<u>2,200,478</u>
<b>Expenditures:</b>				
Operating expenditures:				
Solid waste disposal operations:				
Salaries and employee benefits		568,781		507,053
Professional services		55,430		116,291
Operating expenses		1,561,666		1,521,477
Repairs and maintenance		132,819		73,928
Capital outlay		21,250		58,583
Total	<u>2,596,605</u>	<u>2,339,946</u>	<u>256,659</u>	<u>2,277,332</u>
Total operating expenditures	<u>2,596,605</u>	<u>2,339,946</u>	<u>256,659</u>	<u>2,277,332</u>
Revenues over (under) expenditures	<u>81,345</u>	<u>483,278</u>	<u>401,933</u>	<u>(76,854)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds	(500,000)	(500,000)	-	-
Appropriated fund balance	<u>418,655</u>	<u>-</u>	<u>(418,655)</u>	<u>-</u>
Total other financing sources (uses)	<u>(81,345)</u>	<u>(500,000)</u>	<u>(418,655)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (16,722)</u>	<u>\$ (16,722)</u>	<u>\$ (76,854)</u>

**NASH COUNTY, NORTH CAROLINA****SOLID WASTE FUND****SCHEDULE OF REVENUES AND EXPENDITURES -****BUDGET AND ACTUAL (NON-GAAP)****FOR THE YEAR ENDED JUNE 30, 2016****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Reconciliation from Budgetary Basis</b>				
<b>(Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over				
(under) expenditures and other financing uses		\$ (16,722)		
Reconciling items:				
Capital assets purchased		21,250		
Depreciation		(134,451)		
Increase in net pension liability		(30,586)		
Decrease in deferred inflows of resources - pensions		(16,330)		
Increase in deferred outflows of resources - pensions		29,096		
Contributions to pension plan in the current fiscal year		27,939		
Change in accrued compensated absences		(3,815)		
Gain (loss) on disposal of capital asset		3,603		
Change in landfill post-closure liability		(61,500)		
Change in OPEB liability		<u>(237,482)</u>		
Change in net position		<u>\$ (418,998)</u>		

NASH COUNTY, NORTH CAROLINA

CENTRAL NASH WATER AND SEWER DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Operating revenues:					
Tap fees	\$ 198,200	\$ 108,700	\$ -	\$ 108,700	\$ (89,500)
Miscellaneous collections	35,250	53,162	-	53,162	17,912
Total operating revenues	233,450	161,862	-	161,862	(71,588)
Non-operating revenues:					
Capital contribution	5,958,951	4,958,954	500,000	5,458,954	(499,997)
Interest on investments	-	74,926	-	74,926	74,926
Total non-operating revenues	5,958,951	5,033,880	500,000	5,533,880	(425,071)
Total revenues	6,192,401	5,195,742	500,000	5,695,742	(496,659)
<b>Expenditures:</b>					
Operating expenditures:					
Water project startup:					
Administration	-	7,500	-	7,500	(7,500)
Engineering and construction	-	41,565	-	41,565	(41,565)
Total	-	49,065	-	49,065	(49,065)
Highway 97 project:					
Administration	16,250	16,250	-	16,250	-
Engineering and construction	901,651	887,630	-	887,630	14,021
Total	917,901	903,880	-	903,880	14,021
Capital items:					
Phase I	3,485,149	3,465,523	-	3,465,523	19,626
Phase II	3,275,690	3,238,461	-	3,238,461	37,229
Phase III	4,222,175	4,109,420	109,744	4,219,164	3,011
Phase IV	7,110,276	6,671,387	96,705	6,768,092	342,184
Total	18,093,290	17,484,791	206,449	17,691,240	402,050
Total operating expenditures	19,011,191	18,437,736	206,449	18,644,185	367,006
Non-operating expenditures:					
Debt principal payment	705,000	5,048,000	114,000	5,162,000	(4,457,000)
Debt interest payment	2,848,336	1,911,887	451,728	2,363,615	484,721
Total non-operating expenditures	3,553,336	6,959,887	565,728	7,525,615	(3,972,279)
Total expenditures	22,564,527	25,397,623	772,177	26,169,800	(3,605,273)
Revenues over (under) expenditures	(16,372,126)	(20,201,881)	(272,177)	(20,474,058)	(4,101,932)

NASH COUNTY, NORTH CAROLINA

CENTRAL NASH WATER AND SEWER DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	3,563,126	2,349,925	565,728	2,915,653	(647,473)
Debt issued	12,809,000	17,575,000	-	17,575,000	4,766,000
Total other financing sources (uses)	16,372,126	19,924,925	565,728	20,490,653	4,118,527
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (276,956)	\$ 293,551	\$ 16,595	\$ 16,595
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>					
Revenues and other financing sources over (under) expenditures and other financing uses			\$ 293,551		
Reconciling items:					
Capital assets purchased			188,020		
Accrued interest			353		
Principal payment			114,000		
Change in net position			\$ 595,924		

Nash County, North Carolina  
Financial Statements and Schedules

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***INTERNAL SERVICE FUNDS***



Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2016

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 1,371,043	\$ 1,545,254	\$ 2,916,297
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	520,205	611,151	1,131,356
<b>Net Position:</b>			
Unrestricted	\$ 850,838	\$ 934,103	\$ 1,784,941

## NASH COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Employee Healthcare Benefits</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Contributions from employer	\$ 5,989,197	\$ 199,211	\$ 6,188,408
<b>Operating Expenditures:</b>			
Claims costs	6,605,497	479,078	7,084,575
Wellness Program costs	248,732	-	248,732
Total expenditures	6,854,229	479,078	7,333,307
Operating income (loss)	(865,032)	(279,867)	(1,144,899)
<b>Non-Operating Revenues:</b>			
Investment earnings	2,974	2,322	5,296
Income before transfers	(862,058)	(277,545)	(1,139,603)
<b>Net Position:</b>			
Beginning of year - July 1	1,712,896	1,211,648	2,924,544
End of year - June 30	\$ 850,838	\$ 934,103	\$ 1,784,941

## NASH COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Employee Healthcare Benefits</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from employer	\$ 6,047,763	\$ 199,211	\$ 6,246,974
Cash paid for goods and services	(6,851,727)	(143,349)	(6,995,076)
Net cash provided (used) by operating activities	(803,964)	55,862	(748,102)
<b>Cash Flows from Investing Activities:</b>			
Investment earnings	2,974	2,322	5,296
Net increase (decrease) in cash and cash equivalents	(800,990)	58,184	(742,806)
Cash and cash equivalents - July 1	2,172,033	1,487,070	3,659,103
Cash and cash equivalents - June 30	\$ 1,371,043	\$ 1,545,254	\$ 2,916,297
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (865,032)	\$ (279,867)	\$ (1,144,899)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	58,566	-	58,566
Increase (decrease) in accounts payable and accrued liabilities	2,502	335,729	338,231
Net cash provided (used) by operating activities	(803,964)	55,862	(748,102)

## NASH COUNTY, NORTH CAROLINA

**EMPLOYEE HEALTH CARE BENEFITS**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**FINANCIAL PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Operating Revenues:</b>			
Contributions from employer	\$ 6,039,000	\$ 5,989,197	\$ (49,803)
<b>Operating Expenditures:</b>			
Claims costs	6,821,053	6,605,497	215,556
Wellness Program costs	303,947	248,732	55,215
Total operating expenditures	7,125,000	6,854,229	270,771
Operating income (loss)	(1,086,000)	(865,032)	220,968
<b>Non-Operating Revenues:</b>			
Investment earnings	-	2,974	2,974
Income before appropriations and transfers	(1,086,000)	(862,058)	223,942
Appropriated fund balance	1,086,000	-	(1,086,000)
Change in net position	\$ -	\$ (862,058)	\$ (862,058)

## NASH COUNTY, NORTH CAROLINA

**WORKERS' COMPENSATION BENEFITS**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**FINANCIAL PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
Contributions from employer	\$ 460,000	\$ 199,211	\$ (260,789)
<b>Operating Expenditures:</b>			
Workers' compensation claims	595,000	479,078	115,922
Operating income (loss)	(135,000)	(279,867)	(144,867)
<b>Non-Operating Revenues:</b>			
Investment earnings	-	2,322	2,322
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	135,000	-	(135,000)
Change in net position	<u>\$ -</u>	<u>\$ (277,545)</u>	<u>\$ (277,545)</u>

Nash County, North Carolina  
Financial Statements and Schedules

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## ***AGENCY FUNDS***



Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Social Services Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 16,485	\$ 273,480	\$ 278,341	\$ 11,624
<b>Liabilities:</b>				
Accounts payable	\$ 16,485	\$ 273,480	\$ 278,341	\$ 11,624
<b>Jail Inmate Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 34,740	\$ 286,710	\$ 265,291	\$ 56,159
<b>Liabilities:</b>				
Accounts payable	\$ 34,740	\$ 286,710	\$ 265,291	\$ 56,159
<b>Fines and Forfeitures:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 468,299	\$ 468,299	\$ -
<b>Liabilities:</b>				
Intergovernmental payable	\$ -	\$ 468,299	\$ 468,299	\$ -
<b>Tax Collections Held for Municipalities:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 5,705	\$ 3,648,389	\$ 3,649,446	\$ 4,648
Receivables	191,105	210,349	191,105	210,349
Total assets	\$ 196,810	\$ 3,858,738	\$ 3,840,551	\$ 214,997
<b>Liabilities:</b>				
Accounts payable				
Intergovernmental payable	\$ 196,810	\$ 3,858,738	\$ 3,840,551	\$ 214,997
<b>Rental Vehicle Taxes:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 83,530	\$ 83,530	\$ -
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 83,530	\$ 83,530	\$ -
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 56,930	\$ 4,760,408	\$ 4,744,907	\$ 72,431
Receivables	191,105	210,349	191,105	210,349
Total assets	\$ 248,035	\$ 4,970,757	\$ 4,936,012	\$ 282,780
<b>Liabilities:</b>				
Accounts payable	\$ 51,225	\$ 643,720	\$ 627,162	\$ 67,783
Intergovernmental payable	196,810	4,327,037	4,308,850	214,997
Total liabilities	\$ 248,035	\$ 4,970,757	\$ 4,936,012	\$ 282,780

Nash County, North Carolina  
Financial Statements and Schedules

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***SUPPLEMENTAL FINANCIAL DATA***

Nash County, North Carolina  
Financial Statements and Schedules

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## NASH COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2016

<u>Fiscal Year</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2016</u>
2015-2016	\$ -	\$ 48,799,399	\$ 48,044,516	\$ 754,883
2014-2015	785,494	(2,151)	344,882	438,461
2013-2014	588,593	(5,005)	158,297	425,291
2012-2013	674,784	(1,089)	130,806	542,889
2011-2012	513,300	(576)	74,801	437,923
2010-2011	393,781	(290)	46,264	347,227
2009-2010	314,018	5	26,486	287,537
2008-2009	323,655	(270)	19,065	304,320
2007-2008	324,239	(541)	12,802	310,896
2006-2007	329,066	(150)	8,313	320,603
2005-2006	<u>223,710</u>	<u>(79)</u>	<u>223,631</u>	<u>-</u>
Total	<u>\$ 4,470,640</u>	<u>\$ 48,789,253</u>	<u>\$ 49,089,863</u>	4,170,030
Less: Allowance for uncollectible accounts				
General Fund				<u>(1,664,540)</u>
Ad valorem taxes receivable, net				
General Fund				<u>\$ 2,505,490</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 49,059,803
Reconciling items:				
Amount written off per Statute of Limitations				223,631
Interest and lien advertising collected				(276,828)
Late list penalties				48,413
Miscellaneous				<u>34,844</u>
Total collections and credits				<u>\$ 49,089,863</u>

## NASH COUNTY NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2016

	County-Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 6,456,604,968	\$ 0.67	\$ 43,259,253	\$ 43,259,253	\$ -
Motor vehicles	829,197,527	0.67	5,555,623	-	5,555,623
Penalties	-		53,002	53,002	-
Lien ad	-		5,700	5,700	-
Dogs	-		16,016	16,016	-
Total	<u>7,285,802,495</u>		<u>48,889,594</u>	<u>43,333,971</u>	<u>5,555,623</u>
<b>Discoveries:</b>					
Current year taxes	<u>5,842,467</u>	0.67	<u>39,384</u>	<u>39,384</u>	<u>-</u>
<b>Releases:</b>					
Real Estate & Personal Property	<u>(18,936,294)</u>	0.67	<u>(129,579)</u>	<u>(129,579)</u>	<u>-</u>
Total property valuation	<u>\$ 7,272,708,668</u>				
<b>Net Levy</b>			48,799,399	43,243,776	5,555,623
Uncollected taxes, June 30, 2016			<u>754,883</u>	<u>754,883</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 48,044,516</u>	<u>\$ 42,488,893</u>	<u>\$ 5,555,623</u>
<b>Current Levy Collection Percentage</b>			<u>98.45%</u>	<u>98.25%</u>	<u>100.00%</u>
<b>Prior Year Collection Percentage</b>			<u>98.38%</u>	<u>98.18%</u>	<u>99.98%</u>

## ***STATISTICAL SECTION*** ***(UNAUDITED)***

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the finance statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	153
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property taxes.	159
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	164
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	169
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	171



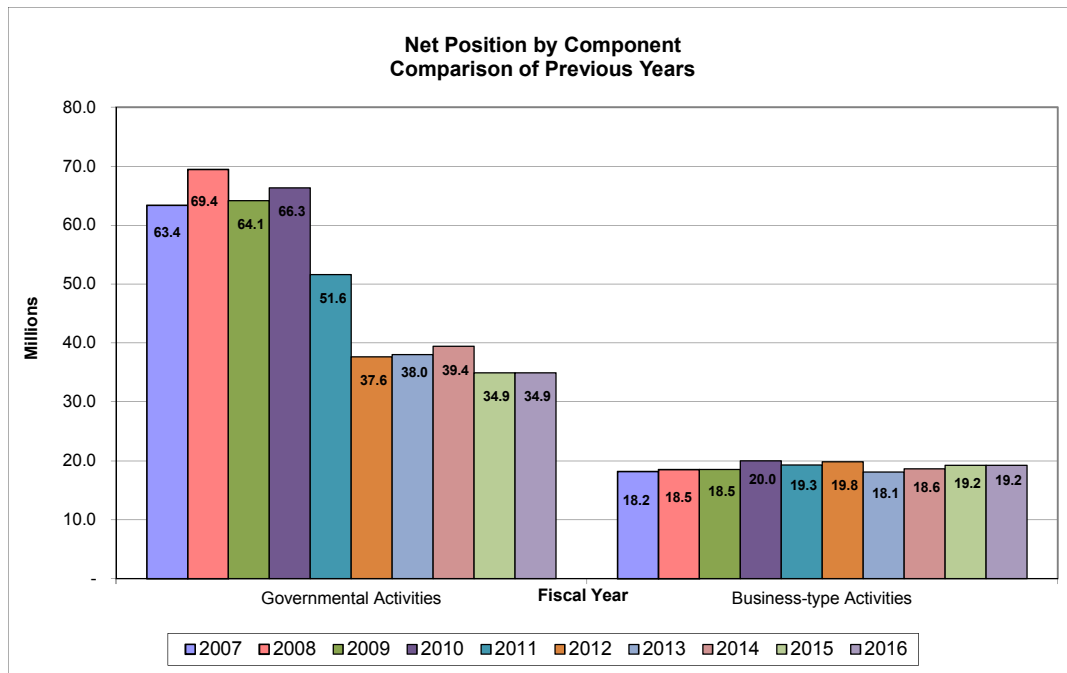
Nash County, North Carolina  
Financial Statements and Schedules

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# NASH COUNTY, NORTH CAROLINA

## Net Position by Component Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 42,226	\$ 43,816	\$ 36,778	\$ 38,100	\$ 26,720	\$ 10,065	\$ 8,212	\$ 6,576	\$ 250	\$ 2,029
Restricted	606	551	647	705	6,698	11,161	8,199	11,478	9,662	9,596
Unrestricted	20,535	25,081	26,646	27,497	18,170	16,346	21,635	21,345	24,959	22,372
Total Governmental activities net position	<u>\$ 63,367</u>	<u>\$ 69,448</u>	<u>\$ 64,071</u>	<u>\$ 66,302</u>	<u>\$ 51,588</u>	<u>\$ 37,572</u>	<u>\$ 38,046</u>	<u>\$ 39,399</u>	<u>\$ 34,871</u>	<u>\$ 33,997</u>
Business-type activities										
Net investment in capital assets	\$ 8,547	\$ 11,028	\$ 12,052	\$ 15,355	\$ 16,852	\$ 14,599	\$ 15,616	\$ 16,973	\$ 17,472	\$ 19,925
Unrestricted	9,629	7,464	6,469	4,663	2,483	5,241	2,488	1,588	1,732	2,647
Total business-type activities net position	<u>\$ 18,176</u>	<u>\$ 18,492</u>	<u>\$ 18,521</u>	<u>\$ 20,018</u>	<u>\$ 19,335</u>	<u>\$ 19,840</u>	<u>\$ 18,104</u>	<u>\$ 18,561</u>	<u>\$ 19,204</u>	<u>\$ 22,572</u>
Primary government										
Net investment in capital assets	\$ 50,774	\$ 54,844	\$ 48,830	\$ 53,455	\$ 43,572	\$ 24,664	\$ 23,828	\$ 23,549	\$ 17,722	\$ 21,954
Restricted	606	551	647	705	6,698	11,161	8,199	11,478	9,662	9,596
Unrestricted	30,164	32,545	33,115	32,160	20,653	21,587	24,123	22,933	26,691	25,019
Total primary government net position	<u>\$ 81,544</u>	<u>\$ 87,940</u>	<u>\$ 82,592</u>	<u>\$ 86,320</u>	<u>\$ 70,923</u>	<u>\$ 57,412</u>	<u>\$ 56,150</u>	<u>\$ 57,960</u>	<u>\$ 54,075</u>	<u>\$ 56,569</u>



## NASH COUNTY, NORTH CAROLINA

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,668	\$ 7,285	\$ 18,240	\$ 9,249	\$ 10,626	\$ 10,641	\$ 9,106	\$ 9,411	\$ 8,971	\$ 11,128
Public safety	17,756	19,569	21,374	22,426	22,185	23,518	24,181	24,142	23,903	26,065
Transportation	248	250	356	411	408	409	338	322	300	329
Economic and physical development	2,717	2,928	2,889	2,936	3,513	2,825	3,849	3,265	1,533	2,563
Human services	29,691	29,653	28,933	27,004	25,781	26,593	26,211	26,866	25,982	26,151
Cultural	1,235	1,456	1,669	1,583	1,704	1,614	1,602	1,682	1,605	1,684
Education	21,662	22,393	23,720	26,042	51,507	38,579	25,383	26,031	30,548	24,706
Interest on long-term debt	1,092	1,000	829	708	2,012	1,904	1,858	2,424	1,991	1,626
Total governmental activities expenses	<u>82,069</u>	<u>84,534</u>	<u>98,010</u>	<u>90,359</u>	<u>117,736</u>	<u>106,083</u>	<u>92,528</u>	<u>94,143</u>	<u>94,833</u>	<u>94,252</u>
Business-type activities:										
Water and sewer	1,217	1,437	1,538	1,988	2,179	1,965	2,099	2,292	2,684	2,013
Solid waste disposal	1,013	2,330	2,944	2,336	3,023	2,368	3,944	2,058	2,065	2,609
Convenience centers	1,350	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>3,580</u>	<u>3,767</u>	<u>4,482</u>	<u>4,324</u>	<u>5,202</u>	<u>4,333</u>	<u>6,043</u>	<u>4,350</u>	<u>4,749</u>	<u>4,622</u>
Total primary governmental expenses	<u>\$ 85,649</u>	<u>\$ 88,301</u>	<u>\$ 102,492</u>	<u>\$ 94,683</u>	<u>\$ 122,938</u>	<u>\$ 110,416</u>	<u>\$ 98,571</u>	<u>\$ 98,493</u>	<u>\$ 99,582</u>	<u>\$ 98,874</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,359	\$ 2,755	\$ 1,916	\$ 3,097	\$ 3,116	\$ 2,445	\$ 3,782	\$ 2,832	\$ 1,967	\$ 2,005
Public safety	2,560	4,164	4,368	4,525	4,009	3,575	3,798	3,382	4,433	4,671
Economic & physical development	527	-	15	-	-	-	-	-	-	-
Human services	153	602	541	570	614	1,511	1,048	720	515	551
Operating grants and contributions	23,024	18,660	21,432	22,778	34,239	22,819	22,406	24,480	22,868	21,578
Capital grants and contributions	285	815	5,607	856	1,236	114	65	57	82	252
Total governmental activities program revenues	<u>27,908</u>	<u>26,996</u>	<u>33,879</u>	<u>31,826</u>	<u>43,214</u>	<u>30,464</u>	<u>31,099</u>	<u>31,471</u>	<u>29,865</u>	<u>29,057</u>
Business-type activities:										
Charges for services:										
Water and sewer	499	696	899	1,097	1,205	1,167	1,232	1,534	1,615	1,833
Solid waste disposal	520	2,142	2,218	2,056	2,046	3,267	2,157	2,150	2,190	2,849
Convenience centers	1,634	-	-	-	-	-	-	-	-	-
Operating grants and contributions	162	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	543	1,127	2,587	1,239	379	889	1,120	1,134	1,790
Total business-type activities program revenues	<u>2,815</u>	<u>3,381</u>	<u>4,244</u>	<u>5,740</u>	<u>4,490</u>	<u>4,813</u>	<u>4,278</u>	<u>4,804</u>	<u>4,939</u>	<u>6,472</u>
Total primary governmental program revenues	<u>\$ 30,723</u>	<u>\$ 30,377</u>	<u>\$ 38,123</u>	<u>\$ 37,566</u>	<u>\$ 47,704</u>	<u>\$ 35,277</u>	<u>\$ 35,377</u>	<u>\$ 36,275</u>	<u>\$ 34,804</u>	<u>\$ 35,529</u>
Net (expense)/revenue										
Governmental activities	\$ (54,161)	\$ (57,538)	\$ (64,132)	\$ (58,533)	\$ (74,522)	\$ (75,619)	\$ (61,429)	\$ (62,672)	\$ (64,968)	\$ (65,195)
Business-type activities	(765)	(386)	(237)	1,416	(712)	480	(1,764)	454	190	1,850
Total primary governmental net expense	<u>\$ (54,926)</u>	<u>\$ (57,924)</u>	<u>\$ (64,369)</u>	<u>\$ (57,117)</u>	<u>\$ (75,234)</u>	<u>\$ (75,139)</u>	<u>\$ (63,193)</u>	<u>\$ (62,218)</u>	<u>\$ (64,778)</u>	<u>\$ (63,345)</u>

## NASH COUNTY, NORTH CAROLINA

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 42,661	\$ 44,151	\$ 43,224	\$ 48,476	\$ 48,436	\$ 49,155	\$ 49,874	\$ 51,846	\$ 51,317	\$ 51,884
Sales taxes	17,039	17,553	14,353	11,758	10,810	12,071	11,619	11,747	12,641	13,429
Excise taxes	371	319	202	182	142	144	186	203	211	261
Other taxes	69	74	67	68	72	77	80	82	79	87
Investment earnings	1,908	1,522	910	280	348	156	143	147	122	165
Miscellaneous	228	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	(558)	(1,505)
Total governmental activities	<u>62,276</u>	<u>63,619</u>	<u>58,756</u>	<u>60,764</u>	<u>59,808</u>	<u>61,603</u>	<u>61,902</u>	<u>64,025</u>	<u>63,812</u>	<u>64,321</u>
Business-type activities:										
Investment earnings	771	702	266	81	29	25	29	3	5	13
Transfers	-	-	-	-	-	-	-	-	558	1,505
Total business-type activities	<u>771</u>	<u>702</u>	<u>266</u>	<u>81</u>	<u>29</u>	<u>25</u>	<u>29</u>	<u>3</u>	<u>563</u>	<u>1,518</u>
Total primary government	<u>\$ 63,047</u>	<u>\$ 64,321</u>	<u>\$ 59,022</u>	<u>\$ 60,845</u>	<u>\$ 59,837</u>	<u>\$ 61,628</u>	<u>\$ 61,931</u>	<u>\$ 64,028</u>	<u>\$ 64,375</u>	<u>\$ 65,839</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 8,115	\$ 6,081	\$ (5,376)	\$ 2,231	(\$14,714)	\$ (14,016)	\$ 474	\$ 1,353	\$ (1,156)	\$ (874)
Business-type activities	6	316	28	1,497	(683)	505	(1,736)	457	753	3,368
Total primary government	<u>\$ 8,121</u>	<u>\$ 6,397</u>	<u>\$ (5,348)</u>	<u>\$ 3,728</u>	<u>\$ (15,397)</u>	<u>\$ (13,511)</u>	<u>\$ (1,262)</u>	<u>\$ 1,810</u>	<u>\$ (403)</u>	<u>\$ 2,494</u>

# **NASH COUNTY, NORTH CAROLINA**

## **Governmental Activities Tax Revenues By Source Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Rental Vehicle Tax</u>	<u>Privilege Licenses</u>	<u>Total</u>
2007	\$42,661	\$17,040	\$371	\$54	\$14	\$60,140
2008	44,151	17,552	319	55	19	62,096
2009	43,224	14,353	202	50	17	57,846
2010	48,476	11,758	182	54	14	60,484
2011	48,435	10,810	142	56	16	59,459
2012	49,155	12,071	144	63	14	61,447
2013	49,874	11,619	186	65	14	61,758
2014	51,846	11,746	203	69	14	63,878
2015	51,317	12,641	211	72	7	64,248
2016	51,884	13,429	261	81	6	65,661

# NASH COUNTY, NORTH CAROLINA

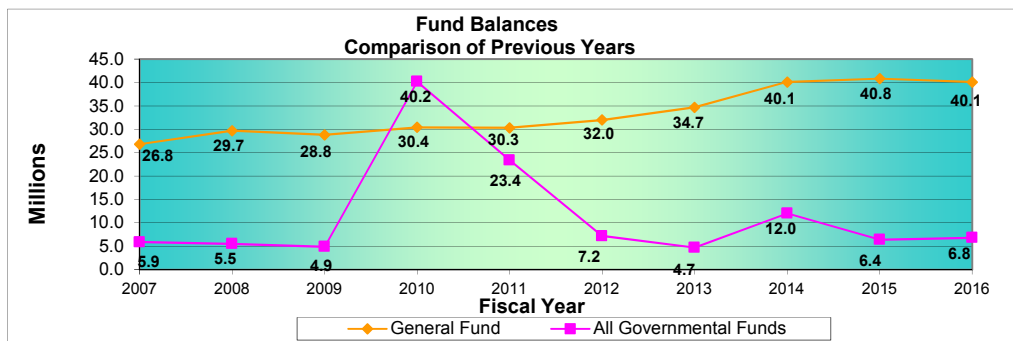
## Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 6,277	\$ 7,365	\$ 7,564	\$ 7,242	-	-	-	-	-	-
Unreserved	20,528	22,367	21,264	23,169	-	-	-	-	-	-
Non Spendable					15	17	19	22	23	24
Restricted					5,543	6,524	6,980	11,032 <sup>2</sup>	8,707	8,386
Committed					239	279	319	513	423	229
Assigned					3,323	2,199	4,476	7,061 <sup>2</sup>	6,832	4,148
Unassigned					21,155	22,937	22,936	21,447	24,836	27,329
Total general fund	<u>\$ 26,805</u>	<u>\$ 29,732</u>	<u>\$ 28,828</u>	<u>\$ 30,411</u>	<u>\$ 30,275</u>	<u>\$ 31,956</u>	<u>\$ 34,730</u>	<u>\$ 40,075</u>	<u>\$ 40,821</u>	<u>\$ 40,116</u>
All other governmental funds										
Reserved	\$ 425	\$ 235	\$ 35	\$ 36,349 <sup>1</sup>	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	4,102	3,919	3,690	3,492	-	-	-	-	-	-
Capital projects funds	1,351	1,361	1,225	347	-	-	-	-	-	-
Non Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	4,156	1,583	1,399	1,812	987	1,243
Committed	-	-	-	-	2,539	2,417	2,286	2,287	5,353	5,561
Assigned	-	-	-	-	228	214	243	1,600	105	155
Unassigned	-	-	-	-	(505)	(76)	(408)	(951)	(14)	(112)
Restricted in Capital Project	-	-	-	-	18,991	3,054	1,213	-	-	-
Unassigned in Capital Project	-	-	-	-	(1,970)	-	-	-	-	-
Restricted in Bond Fund	-	-	-	-	-	-	-	6,855 <sup>2</sup>	-	-
Committed in Bond Project	-	-	-	-	-	-	-	385	-	-
Total all other governmental funds	<u>\$5,878</u>	<u>\$5,515</u>	<u>\$4,950</u>	<u>\$40,188</u>	<u>\$23,439</u>	<u>\$7,192</u>	<u>\$4,733</u>	<u>\$11,988</u>	<u>\$6,431</u>	<u>\$6,847</u>

<sup>1</sup> The 2010 increase in reserved for capital projects funds is due to \$28,967,319 of Capital Projects Fund and \$7,308,333 capital projects in Other Governmental Funds.

<sup>2</sup> The 2014 increase in restricted General Fund is due to \$8,221,349 of unspent debt proceeds as of June 30, 2014. Increase in assigned fund balance is primarily due to receipt of NC Eastern Region payout funds for Nash County of \$1,570,743 and Eastern Region debt proceeds of \$576,923. The increase in restricted bond project funds is due to \$7,240,896 of capital outlays for the Nash Community College.

NOTE: GASB Statement #54 (Fund Balance Reporting) established new fund balance classifications in FY11. The first section with fiscal year 2006 to fiscal year 2010 shows the fund balance information prior to the implementation of GASB Statement #54 and the second section beginning with fiscal year 2011 shows the fund balance information after the implementation of GASB Statement #54.



**NASH COUNTY, NORTH CAROLINA**

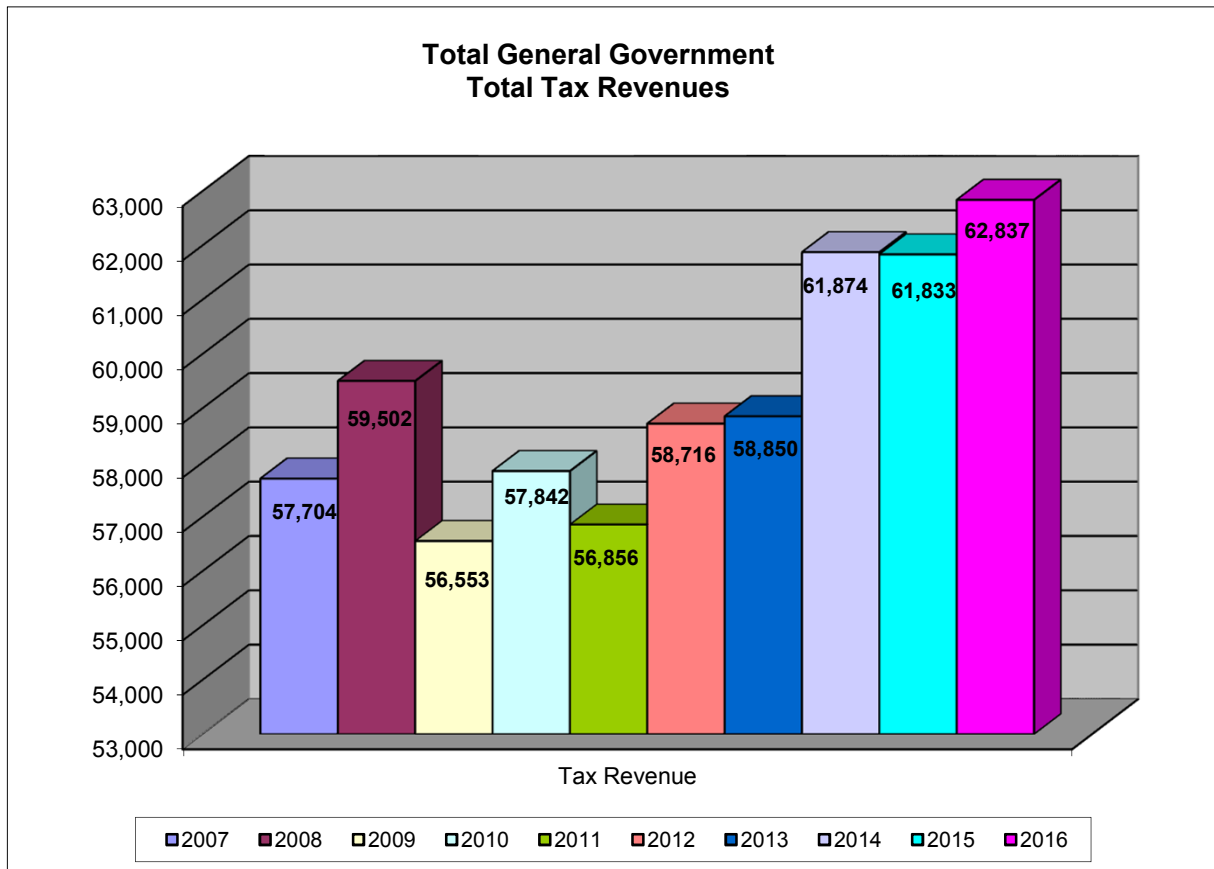
**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Ad valorem taxes	\$ 42,232	\$ 43,739	\$ 44,119	\$ 48,278	\$ 48,301	\$ 48,978	\$ 49,612	\$ 52,673	\$ 51,834	\$ 52,170
Other taxes and licenses	17,479	17,945	14,622	12,008	11,024	12,292	11,884	12,032	12,931	13,777
Intergovernmental	18,945	19,665	22,296	23,054	34,015	22,981	21,928	22,716	22,698	21,690
Permits and fees	1,364	1,310	1,000	920	917	983	1,151	1,010	943	1,127
Sales and services	3,160	4,207	4,468	5,139	4,531	4,186	4,374	3,872	4,816	5,112
Investment earnings	1,806	1,357	872	274	291	154	142	146	120	160
Miscellaneous	4,648	1,814	1,034	2,555	3,584	2,147	3,457	3,688	1,224	956
Total revenues	89,634	90,037	88,411	92,228	102,663	91,721	92,548	96,137	94,566	94,992
<b>Expenditures</b>										
General government	7,672	7,871	8,244	8,826	10,472	10,039	8,446	8,616	8,309	8,861
Public safety	17,825	19,335	21,122	21,825	22,368	23,639	23,222	23,161	23,644	25,518
Transportation	213	231	327	397	381	343	301	315	300	329
Economic and physical development	2,726	3,823	3,345	5,233	3,706	2,654	3,652	3,085	3,219	2,727
Human services	29,688	29,545	28,097	26,231	25,683	25,626	25,483	25,999	26,074	25,529
Cultural and recreation	1,195	1,351	1,497	1,562	1,675	1,581	1,543	1,655	1,616	1,662
Education	22,004	22,327	23,654	25,976	51,431	38,513	25,316	25,964	30,481	24,640
Revaluation	41	104	146	-	-	-	-	-	-	-
Debt Service:										
Principal	2,707	2,641	2,619	2,580	2,800	3,132	2,876	3,388	7,256	3,839
Interest	1,092	1,000	829	708	2,012	1,905	1,858	1,980	1,933	1,667
Issuance	-	-	-	-	-	-	-	-	95	-
Total expenditures	85,163	88,228	89,880	93,338	120,528	107,432	92,697	94,163	102,927	94,772
Excess of revenues over (under) expenditures	4,471	1,809	(1,469)	(1,110)	(17,865)	(15,711)	(149)	1,974	(8,361)	220
<b>Other financing sources (uses)</b>										
Transfers in	50	1,235	386	505	730	27	354	2,780	1,945	1,155
Transfers out	(2,439)	(1,381)	(386)	(505)	(730)	(27)	(354)	(2,780)	(2,504)	(2,660)
Bonds issued	-	-	-	36,937	-	-	-	9,310	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	3,787	-
Bond premium	-	-	-	994	-	-	-	380	-	-
Long-term debt issued	-	-	-	-	-	-	-	577	-	-
Sale of capital assets	-	901	-	-	-	70	-	-	-	-
Capital lease obligations issued	-	-	-	-	979	1,075	465	359	322	996
Total other financing sources (uses)	(2,389)	755	-	37,931	979	1,145	465	10,626	3,550	(509)
Net change in fund balances	\$ 2,082	\$ 2,564	\$ (1,469)	\$ 36,821	\$ (16,886)	\$ (14,566)	\$ 316	\$ 12,600	\$ (4,811)	\$ (289)
Debt service as a percentage of noncapital expenditures	4.63%	4.28%	3.84%	3.52%	4.16%	4.90%	5.22%	5.79%	9.31%	5.95%

## NASH COUNTY, NORTH CAROLINA

### General Government Tax Revenues By Source Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

Fiscal Year	Property Tax	Intangible Tax	Sales Tax	Real Estate Transfer Tax	Rental Vehicle Tax	Privilege Licenses Tax	Total
2007	\$40,225	\$0	\$17,040	\$371	\$54	\$14	\$57,704
2008	41,557	-	17,552	319	55	19	59,502
2009	41,931	-	14,353	202	50	17	56,553
2010	45,834	-	11,758	182	54	14	57,842
2011	45,832	-	10,810	142	56	16	56,856
2012	46,424	-	12,071	144	63	14	58,716
2013	46,965	-	11,619	186	65	15	58,850
2014	49,842	-	11,746	203	69	14	61,874
2015	48,902	-	12,641	211	72	7	61,833
2016	49,060	-	13,429	261	81	6	62,837





# NASH COUNTY, NORTH CAROLINA

## Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2007	\$3,005,337	\$1,978,664	\$728,015	\$900,598	(\$840,561)	\$5,772,053	0.70	\$6,337,039	91.08%
2008	3,058,683	2,039,122	768,476	996,483	(842,337)	6,020,427	0.70	6,905,655	87.18%
2009	3,132,659	2,033,235	764,185	950,943	(855,723)	6,025,299	0.70	6,924,835	87.01%
2010	3,752,284	2,510,928	679,641	958,630	(1,000,154)	6,901,329	0.67	7,097,942	97.23%
2011	3,769,534	2,539,620	643,305	960,321	(1,019,267)	6,893,513	0.67	7,125,815	96.74%
2012	3,792,117	2,638,493	682,422	956,318	(1,111,614)	6,957,736	0.67	7,001,848	99.37%
2013	3,803,337	2,634,284	731,442	954,638	(1,109,318)	7,014,383	0.67	6,971,162	100.62%
2014	3,826,638	2,654,172	860,376 <sup>1</sup>	933,828	(1,113,587)	7,240,869	0.67	7,190,535	100.70%
2015	3,867,641	2,687,683	789,100	978,586	(1,115,407)	7,207,603	0.67	7,078,074	101.83%
2016	3,906,983	2,715,023	829,198	938,467	(1,116,963)	7,272,708	0.67	7,181,503	101.27%

<sup>1</sup> This reporting year only - There are 4 months of Motor Vehicle Value overlap due to old RMV system billing 4 months in arrears, but the new VTS billing at front of cycle. This will not occur in subsequent years.

Source: County tax assessor

Note: Property in the county is reassessed every eight years. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

# NASH COUNTY, NORTH CAROLINA

## Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years

	Year Taxes Are Payable									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Nash County	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700
<u>Municipality Rates:</u>										
City of Rocky Mount	0.5500	0.5500	0.5800	0.5500	0.5500	0.5500	0.5800	0.5800	0.5800	0.6050
Town of Sharpsburg	0.4500	0.4500	0.5000	0.5000	0.5000	0.5250	0.5500	0.6500	0.6500	0.6500
Town of Spring Hope	0.6200	0.6200	0.6200	0.5700	0.5700	0.5700	0.5700	0.5700	0.6000	0.6300
Town of Bailey	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100
Town of Middlesex	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5200	0.5700
Town of Whitakers	0.6900	0.6900	0.6900	0.6900	0.6900	0.7200	0.7200	0.7200	0.7200	0.7200
Town of Nashville	0.6300	0.6300	0.6300	0.5100	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600
Town of Castalia	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2500	0.2500
Town of Momeryer	0.0500	0.0900	0.0900	0.0900	0.0900	0.1300	0.1300	0.1300	0.1300	0.1300
<u>Other Districts:</u>										
Rocky Mount Municipal District	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
<u>Fire Districts:</u>										
Ferrells	0.1100	.1200	.1200	.1200	.1200	.1336	.1336	.1336	.1336	.1336
N.S. Gulley	0.1075	.1075	.1075	.1075	.1075	.1075	.1075	.1075	.1075	.1200
Harrison	0.0700	.0700	.0700	.0700	.0900	.0900	.0900	.0900	.1000	.1000
Stanhope	0.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750
Stony Creek	0.0500	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Green Hornet	0.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500
Silver Lake	0.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900
Sims	0.0400	.0400	.0400	.0400	.0464	.0464	.0464	.0464	.0464	.0464
Tri-County	0.0800	.0800	.0800	.0800	.0800	.0800	.0800	.0800	.0800	.1000
Salem	0.0800	.0800	.0800	.0800	.0800	.0800	.0800	.0800	.1200	.1200
West Mount	0.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.1000
Coopers	0.0600	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850
Castalia	0.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735
Spring Hope	0.0800	.0800	.0800	.0800	.0800	.0900	.0900	.0900	.0900	.0900
Middlesex	0.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0800	.0800
Red Oak	0.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Momeyer	0.0600	.0600	.0600	.0600	.0600	.0600	.0600	.0600	.0800	.0800
Whitakers	0.0600	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750

<sup>1</sup> Revaluation years.

Note: The rates are shown per \$100 of taxable value. Real property is reappraised at 100% of fair market value every eight years. Personal property is reappraised annually at 100% of fair market value.

Source: County tax assessor.

## NASH COUNTY, NORTH CAROLINA

### Principal Property Taxpayers as of January (amounts expressed in thousands)

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hospira Inc.	\$211,774	1	2.91%	\$138,164	2	2.29%
Consolidated Diesel Co.	209,196	2	2.88%	201,099	1	3.34%
Universal Leaf North America NC	87,528	3	1.20%	105,609	3	1.75%
Duke Energy Progress Inc.	57,328	4	0.79%	45,446	4	0.75%
McLane Mid Atlantic, Inc.	41,292	5	0.57%	29,775	7	0.49%
Hendon Golden East LLC	33,682	6	0.46%	23,989	8	0.40%
Carolina Telephone	21,848	7	0.30%	-	-	-
Rocky Mount WEH LP	21,705	8	0.30%	-	-	-
Kaba Ilco-Unican Corporation	19,112	9	0.26%	22,339	9	0.37%
Cheesecake Factory Bakery, Inc.	16,149	10	0.22%	-	-	-
PNC - RBC Centura Bank, Inc.	-	-	-	33,501	5	0.56%
Sprint	-	-	-	32,512	6	0.54%
Fords Colony at Rocky Mount	-	-	-	19,319	10	0.32%
Totals	<u>\$719,614</u>		<u>9.89%</u>	<u>\$651,753</u>		<u>10.83%</u>

Source: County tax assessor

## NASH COUNTY, NORTH CAROLINA

### Property Tax Levies and Collections Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$40,467	\$38,698	95.63%	\$1,481	\$40,179	99.29%
2008	42,226	40,648	96.26%	1,291	41,939	99.32%
2009	42,240	40,459	95.78%	1,431	41,890	99.17%
2010	46,000	44,205	96.10%	1,551	45,756	99.47%
2011	46,010	44,172	96.01%	1,577	45,749	99.43%
2012	46,574	44,629	95.82%	1,536	46,165	99.12%
2013	47,082	44,970	95.51%	1,614	46,584	98.94%
2014	48,580	47,477	97.73%	668	48,145	99.10%
2015	48,394	47,608	98.38%	345	47,953	99.09%
2016	48,799	48,045	98.45%	0	48,045	98.45%

NOTE: Starting September 1, 2014 Motor Vehicle are billed thru Tax & Tag Together

Source: County tax assessor.

# NASH COUNTY, NORTH CAROLINA

## Ratio of Outstanding Debt by Type Last Ten Fiscal Years (amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General	Installment	Limited	Capital	Unamortized	Installment	Water			
	Obligation Bonds	Purchases	Obligation Bonds	Leases	Premiums/ Discounts	Purchases	Bonds			
2007	\$ -	\$20,110	\$ -	\$ -	\$ -	\$4,328	\$ -	\$24,438	0.84%	\$263
2008	-	17,470	-	-	-	4,023	-	21,493	0.69%	229
2009	-	14,851	-	-	-	3,717	5,239	23,807	0.75%	251
2010	-	20,852	28,355	-	994	3,412	5,239	58,852	1.82%	614
2011	-	18,310	28,355	722	942	3,107	5,179	56,615	1.72%	590
2012	-	16,102	27,900	1,327	890	2,801	7,922	56,942	1.68%	595
2013	-	14,614	26,940	1,364	837	2,496	7,859	54,110	1.56%	565
2014	9,310	13,467	25,975	1,024	1,165	2,190	12,517	65,648	1.86%	693
2015	8,840	11,907	25,010	871	1,077	1,885	12,406	61,996	na	657
2016	8,370	10,253	24,045	1,118	1,010	1,579	12,292	58,667	na	622

Note: Details regarding Nash County's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

# **NASH COUNTY, NORTH CAROLINA**

## **Ratio of General Bonded Debt Outstanding Last Eight Fiscal Years (amounts expressed in thousands, except per capita amount)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
2009 <sup>3</sup>	\$ 5,239	\$ -	\$ 5,239	0.08%	\$ 55
2010	5,239	-	5,239	0.07%	54
2011	5,179	-	5,179	0.07%	53
2012	7,922	-	7,922	0.11%	82
2013	7,859	-	7,859	0.11%	82
2014	21,827	-	21,827	0.31%	230
2015	21,246	-	21,246	0.30%	225
2016	20,662	-	20,662	29.00%	219

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property statistical table for property value data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics.

<sup>3</sup>First year Nash County had General Bonded Debt Outstanding

# NASH COUNTY, NORTH CAROLINA

## Direct and Overlapping Governmental Activities Debt As of June 30, 2016 (amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes:</b>			
Town of Sharpsburg	\$ 1,505	0.74%	<u>\$ 11</u>
Subtotal, overlapping debt			11
<b>Nash County direct debt</b>			
Capital Lease			1,118
General Obligation Debt			8,370
Limited Obligation Debt			24,045
Installment Purchase Contracts			10,253
Unamortized Premiums/Discounts			<u>1,010</u>
Total direct debt			44,796
<b>Total direct and overlapping debt</b>			<u><u>\$ 44,807</u></u>

Source: North Carolina Department of State Treasurer [www.nctreasurer.state.nc.us](http://www.nctreasurer.state.nc.us)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Nash County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**NASH COUNTY, NORTH CAROLINA**

**Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	<b>Fiscal Year</b>									
	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
Debt limit	\$ 461,764	\$ 481,634	\$ 482,024	\$ 552,106	\$ 551,481	\$ 556,619	\$ 561,151	\$ 579,270	\$ 576,608	\$ 581,817
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>5,239</u>	<u>5,239</u>	<u>5,179</u>	<u>7,922</u>	<u>7,859</u>	<u>21,827</u>	<u>21,246</u>	<u>20,662</u>
Legal debt margin	<u>\$ 461,764</u>	<u>\$ 481,634</u>	<u>\$ 476,785</u>	<u>\$ 546,867</u>	<u>\$ 546,302</u>	<u>\$ 548,697</u>	<u>\$ 553,292</u>	<u>\$ 557,443</u>	<u>\$ 555,362</u>	<u>\$ 561,155</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	1.09%	0.95%	0.94%	1.42%	1.40%	3.77%	3.68%	3.55%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Total assessed value	<u>\$ 7,272,709</u>
Debt Limit (8% of total assessed value)	581,817
Debt applicable to limit:	
Water bonds	12,292
General Obligation Bond	8,370
Total net debt applicable to limit	<u>20,662</u>
Legal debt margin	<u>\$ 561,155</u>

Note: Under state finance law, Nash County's net debt should not exceed 8 percent of total assessed property value.



**NASH COUNTY, NORTH CAROLINA**

**Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

This schedule does not apply to Nash County.

## NASH COUNTY, NORTH CAROLINA

### Demographic and Economic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income (amounts expressed in thousands) <sup>2</sup></b>	<b>Per Capita Personal Income <sup>2</sup></b>	<b>Median Age <sup>1</sup></b>	<b>School Enrollment <sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2007	93,088	\$ 2,908,534	\$ 31,374	37.7	17,800	6.1
2008	93,820	3,112,413	33,174	37.9	17,773	8.1
2009	94,745	3,179,260	33,557	38.1	17,549	13.1
2010	95,894	3,237,490	33,761	38.6	17,282	12.2
2011	95,912	3,284,494	34,245	39.4	17,767	12.7
2012	95,708	3,393,700	35,459	39.7	17,500	12.8
2013	95,728	3,475,011	36,301	40.0	16,443	12.6
2014	94,744	3,538,889	37,505	41.0	16,200	8.8
2015	94,338	na	na	41.0	15,672	8.0
2016	94,280	na	na	42.2	15,292	6.8

#### Data Sources

<sup>1</sup> North Carolina Office of State Budget and Management <http://www.osbm.state.nc.us>

<sup>2</sup> Bureau of Economic Analysis: Regional Economic Accounts > Local Area Personal Income [www.bea.gov](http://www.bea.gov)

<sup>3</sup> School District

<sup>4</sup> Employment Security Commission of North Carolina [www.ncesc.com](http://www.ncesc.com)

Note: Capital income and per capita personal income are based on the latest available data. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

## NASH COUNTY, NORTH CAROLINA

### Principal Employers Current Year and Nine Years Ago

Employer	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Pfizer Inc.	2,400	1	6.00%	1,857	3	4.27%
Nash-Rocky Mount Schools	1,717	2	4.29%	2,276	1	5.23%
Cummins, Inc.	1,800	3	4.50%	1,292	4	2.97%
Nash Health Care Systems	1,600	4	4.00%	1,971	2	4.53%
City of Rocky Mount	840	5	2.10%	1,235	5	2.84%
PNC Bank	800	6	2.00%	1,100	6	2.53%
Universal Leaf North America NC	800	7	2.00%	1,062	7	2.44%
West Corporation	800	8	2.00%			
Nash County	633	9	1.58%	664	8	1.53%
McLane Mid-Atlantic, Inc.	575	10	1.44%	573	9	1.32%
Kaba Ilco-Unican Corporation				537	10	1.23%
Total	<u>11,965</u>		<u>29.93%</u>	<u>12,567</u>		<u>28.89%</u>

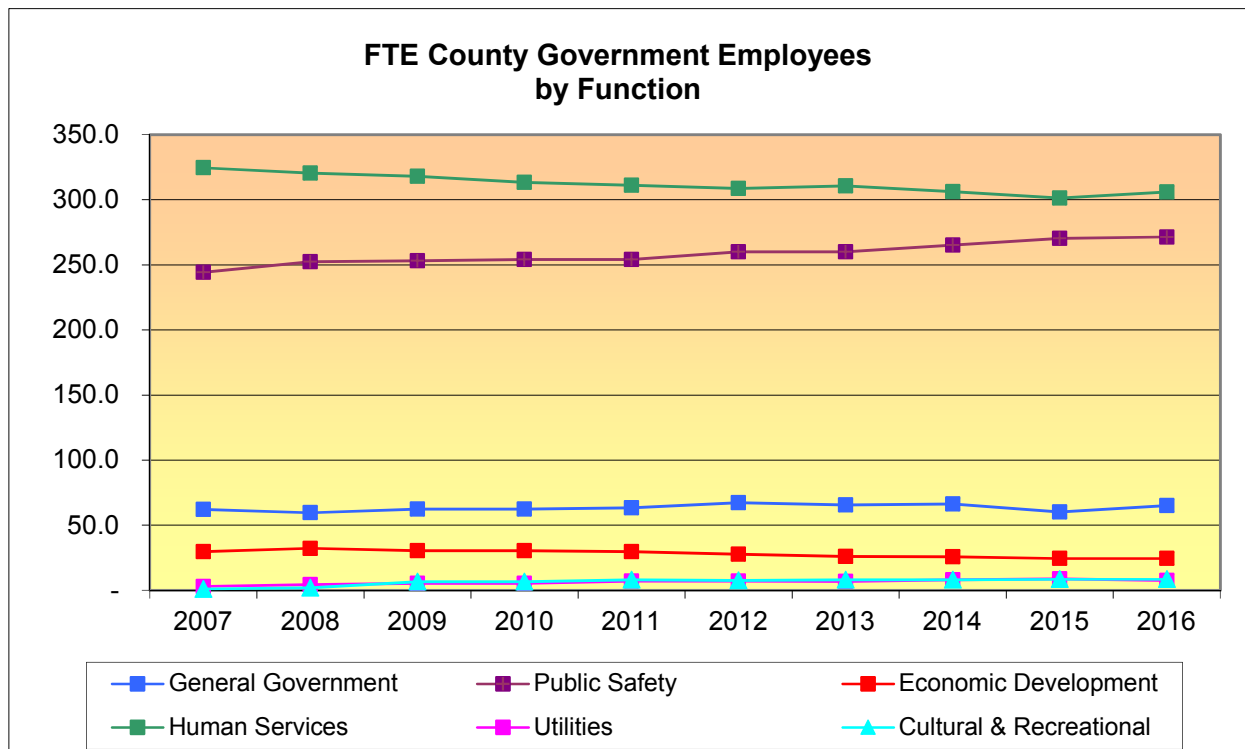
Source: Nash County business community.

## NASH COUNTY, NORTH CAROLINA

### Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	62.1	59.7	62.5	62.4	63.4	67.3	65.5	66.3	60.2	65.0
Public safety										
Sheriff										
Deputies	68.0	76.0	77.0	78.0	78.0	77.0	77.0	77.0	84.0	87.0
Civilians	59.0	57.0	57.0	57.0	57.0	58.0	58.0	58.0	55.0	53.0
Emergency Services	112.3	114.3	114.1	114.1	114.1	120.1	120.1	125.1	126.3	126.4
Other Public Safety	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Economic Development	29.8	32.3	30.4	30.4	29.7	27.7	26.0	25.8	24.5	24.5
Human Services										
Health	134.1	130.1	123.7	119.8	117.7	115.5	116.7	114.9	111.8	111.1
Social Services	163.0	163.0	166.0	165.0	165.0	165.0	165.0	164.0	161.3	166.3
Other Human Services	27.5	27.5	28.4	28.6	28.4	28.1	28.9	27.3	28.3	28.6
Utilities	3.0	4.4	5.5	5.5	7.0	7.1	6.8	8.0	8.8	7.5
Cultural & Recreational	1.0	2.0	6.5	6.5	8.0	7.5	8.0	8.0	8.5	8.5
<b>Total</b>	<b>664.7</b>	<b>671.3</b>	<b>676.1</b>	<b>672.3</b>	<b>673.3</b>	<b>678.3</b>	<b>677.0</b>	<b>679.4</b>	<b>673.6</b>	<b>682.9</b>

Source: Government finance office.



# NASH COUNTY, NORTH CAROLINA

## Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Sheriff										
Physical arrests	6,061	6,284	6,044	5,840	5,656	2,316	2,418	2,286	2,006	1,529
Serving civil papers (evictions, executions, court)	19,216	18,966	19,670	19,121	18,454	21,112	20,348	11,753	12,438	12,177
Traffic violations/citations	827	1,742	1,612	1,779	675	534	475	355	619	781
Cases in review by investigations	1,894	1,938	2,052	1,764	1,082	1,077	1,103	1,541	1,933	1,736
Cases closed/cleared	1,206	1,313	1,314	1,219	568	550	581	971	1,322	677
Calls for service	12,226	12,787	18,213	23,614	21,643	22,442	22,130	25,691	21,643	23,710
Transports	1,488	1,475	1,578	1,065	1,598	1,251	1,927	1,881	1,533	1,169
Emergency Services										
Number incoming/outbound calls	na	na	na	180,894	170,426	179,712	166,944	169,803	172,745	176,384
Number of calls for service dispatched from 911 Center	47,421	54,538	68,800	79,774	91,566	110,925	112,474	115,056	103,788	119,516
Public education events	12	12	12	8	8	8	10	10	10	10
Fire										
Inspections	923	903	762	834	985	1,023	1,203	1,404	824	991
Number of fire investigations	29	27	21	23	31	24	21	22	15	10
Plans review	-	-	28	31	38	33	26	19	53	69
Economic Development										
Permits issued (building, electrical, mechanical, plumbing, etc.)	2,135	2,085	2,899	3,243	3,296	3,255	3,409	2,538	2,805	2,977
New residential construction (units)	400	317	165	170	112	138	141	132	130	115
New commercial construction (units)	17	29	26	15	21	16	19	13	16	17
Building inspections performed	12,101	11,791	9,178	8,807	8,359	8,936	8,387	7,358	7,577	7,369

**NASH COUNTY, NORTH CAROLINA**

**Operating Indicators by Function  
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Solid Waste										
Refuse collected (tons/day)	76.8	78.7	77.2	73.6	79.6	129.3	60.7	64.7	78.4	64.9
Utilities										
Water										
Total water customers	663	896	1,041	1,538	1,996	2,115	2,177	2,656	2,765	2,862
Water mains breaks	-	-	-	-	3	2	4	6	7	4
Average daily consumption (thousands of gallons)	158	138	136	178	202	219	279	334	302	337
Sewer										
Total sewage customers	270	278	271	270	252	263	267	267	266	254
Average daily sewage treatment (thousands of gallons)	55	67	69	77	55	61	76	84	63	49

Sources: Various county government departments.

Note: Indicators are not available for the general government function.

Nash County, North Carolina  
Financial Statements and Schedules

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